



Daily Report

East Asia

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Wednesday
30 June 1993

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Japan

Yamahana: U.S. Bilateral Ties Remain Priority

*OW2206060593 Tokyo KYODO in English 0513 GMT
22 Jun 93*

[Excerpt] Tokyo, June 22 KYODO—The head of Japan's largest opposition party assured the U.S. ambassador to Japan on Tuesday that bilateral relations will remain a top priority even if the country's power structure changes in the upcoming general election for the House of Representatives.

Sadao Yamahana, chairman of the Social Democratic Party [of Japan, SDPJ] (SDP), made the remarks to Michael Armacost at the SDP headquarters in Tokyo, party officials said.

"The ruling Liberal Democratic Party (LDP) will not be able to win a majority in the election. Both LDP and the opposition camp will seek a coalition. But even if either side takes power, the highest priority will be given to Japan-U.S. relations," Yamahana was quoted as saying.

Election campaigning begins on July 4 and the voting will be held on July 18. [passage omitted]

Ministry To Liberalize Pension Fund Management

*OW2306223793 Tokyo KYODO in English 1502 GMT
23 Jun 93*

[Text] Tokyo, June 23 KYODO—The Finance Ministry on Wednesday announced a set of measures to further deregulate Japan's financial markets, including a major loosening of restrictions on the lucrative welfare pension fund business.

The ministry will remove the rules that limit foreign investment advisers to managing only "new money," which means funds established for eight years or more and approved by the Health and Welfare Ministry after April 1990, ministry officials said. The step will widen the scope of funds foreign investment advisers can manage to all welfare pension funds, worth 32 trillion yen at the end of March, from the current 2 trillion to 3 trillion yen of new money. But a rule limiting the amount of money advisers can handle on their own to one-third of their total assets will remain, in consideration of trust banks and life insurance firms, the other players in the field.

The ministry's announcement came after Tuesday's financial talks between Tokyo and Washington.

Foreign investment advisers were first given access to the Japanese pension fund market in 1990, but they were limited to new money to protect domestic institutions. Officials said the measures will need Diet approval as they require legal changes. Ministry sources said the modification could take place at the Diet's next ordinary session that begins next January.

Efforts Toward Construction Accord To Continue

*OW2406135493 Tokyo KYODO in English 1236 GMT
24 Jun 93*

[Text] Tokyo, June 24 KYODO—Japan has told the United States it will continue efforts to avoid U.S. punitive action against alleged unfair bidding practices in Japan toward the end of this month, government sources said Thursday. The sources said negotiations on the issue will be held to review the old Japan-U.S. agreement ensuring U.S. contractors' access to Japan's public works projects to be held later this month.

Trade Representative Mickey Kantor threatened April 30 that his office may impose sanctions unless Japan abolishes its traditional bidding system, open only to select contracts, within 60 days.

Specifically, Washington demanded that Tokyo allow U.S. contractors to place bids for all public construction works projects. It also called for specific targets, such as a concrete number of contracts awarded to U.S. construction companies as a means to measure the result.

The sources said Japan would not blindly accept U.S. demands and continue to refute U.S. arguments in the forthcoming negotiations.

Automakers Increase Tire Imports From U.S.

*OW2406084693 Tokyo KYODO in English 0623 GMT
24 Jun 93*

[Text] Tokyo, June 24 KYODO—Japanese automakers are expanding imports of U.S.-made automobile tires to help alleviate bilateral friction over Japan's huge trade surplus, industry sources said Thursday.

Customs clearance statistics released by the Finance Ministry showed Japan's imports of car tires in the first quarter of this year rose 5.0 percent from a year earlier to more than 3.7 million. The increase rate was more than twice the annual growth rate of 2.0 percent for Japanese tire imports in 1992.

The sources said the Japanese carmakers are installing U.S.-made tires on almost all cars they are exporting to the United States. The Japanese automobile industry, which has pledged to expand purchases of U.S.-made auto parts, is using the increasing tire imports to publicize its import expansion efforts.

In addition, contracts for tire imports from the U.S. are dollar-based and are not affected by the yen's appreciation against the dollar in recent months, the sources said. Even though they may have to pay more for imported tires than for local products in some cases, the Japanese companies would prefer to avoid trouble with the U.S. Government, the sources said.

EPA Official Puts Priority on Trade Surplus*OW2506065393 Tokyo KYODO in English 0444 GMT
25 Jun 93*

[Text] Tokyo, June 25 KYODO—New Economic Planning Agency [EPA] Vice Minister Tsutomu Tanaka said Friday he will give priority to measures designed to slash Japan's huge trade surplus.

Tanaka, who assumed the agency's top bureaucratic post the same day, told an inaugural news conference the agency will make greater efforts to correctly gauge the domestic economic situation. The agency has declared the protracted economic slump now is coming to an end.

Tanaka said the agency will also study ways to effectively tackle problems arising in its dealings with other ministries.

Four-Party Trade Talks Said Postponed to 1 Jul*OW3006140993 Tokyo KYODO in English 1326 GMT
30 Jun 93*

[Text] Tokyo, June 30 KYODO—Working-level trade talks between Canada, the European Community, Japan, and the United States that were scheduled to take place Wednesday and Thursday [29-30 June] have been deferred until July 1, Japanese Government sources said.

The quadrilateral two-day meeting, which will be held in Toronto, Canada, is aimed at boosting market access for goods and services. The talks are being held under the auspices of the general agreement on tariffs and trade. In particular, details are likely to be threshed out on reduction or removal of tariffs on textiles in the U.S., electronic equipment in the EC, and forestry products and distilled spirits in Japan, the sources said.

The postponement came amid the increasing likelihood that U.S.-EC and Japan-EC bilateral consultations will be held on Wednesday.

In the previous four-way meeting held in Tokyo June 23 and 24, the four parties reached a broad agreement to abolish tariffs on six products, such as paper and pulp, and construction machinery. They were split, however, over forestry products, distilled spirits, textiles, and electronic equipment.

Miyazawa: Yen's Wide Fluctuations 'Undesirable'*OW2206060693 Tokyo KYODO in English 0545 GMT
22 Jun 93*

[Text] Tokyo, June 22 KYODO—Prime Minister Kiichi Miyazawa said Tuesday that the Japanese yen's wide fluctuations against the U.S. dollar in recent currency dealings were undesirable. Miyazawa told reporters it is not "desirable for the yen to move widely in either direction."

The yen had steadily risen against the dollar since early this year, backed by Japan's massive trade surplus until

last weekend, when Japan's political crisis sent the currency spiralling downward.

The dollar was trading in the upper end of the 111 yen level Tuesday afternoon, up nearly 4 yen compared with its levels on Friday before the House of Representatives passed a vote of no-confidence in Miyazawa's cabinet.

G-7 Plans To Oversee Russian Nuclear Cleanup*OW3006150193 Tokyo KYODO in English 1441 GMT
30 Jun 93*

[Text] Tokyo, June 30 KYODO—The Group of Seven (G-7) industrial nations have agreed on a working group to oversee the safety of Russian and East European nuclear power plants, government sources said Wednesday. The sources said the agreement is likely to be incorporated into an economic declaration by the G-7 leaders at the close of their July 7-9 summit meeting in Tokyo.

A report drawn up by the World Bank and the International Energy Agency with Russian cooperation for presentation at the summit states that the cost of ensuring the safe operation of the power plants in the former Soviet Union exceeds original estimates. It says that by the year 2000 the cost could reach 21-28 billion dollars.

Western European countries are urging early implementation of safety measures, but Japan is taking a more cautious approach over the large amount of money required. This could lead to heated debate at the summit over the operation of the working group.

In July 1992, the Munich G-7 summit economic declaration stated the necessity for distinguishing between a short and a medium-term action plan.

In the short term it called for renovation, training and stricter regulations at 25 high-risk plants, including 15 similar to the one at Chernobyl in Ukraine which exploded in 1986 releasing large amounts of radioactivity into the atmosphere.

In the medium term, the summit called on the World Bank and other institutions to conduct a basic survey to consider the development of alternative energy sources together with the scrapping of high-risk plants, a more efficient use of energy, and renovation of newer types of plants.

Following on from this, as part of a short-term plan in March this year, the European Bank for Reconstruction and Development made available 72 million dollars for a multinational fund. The London-based bank was set up to assist former Soviet Bloc states.

Medium to long-term strategy awaits the report to the Tokyo summit. Britain, Canada, France, Germany, Italy, Japan and the United States make up the G-7.

The report by the World Bank and other institutions proposes several scenarios including the complete cessation of operation of high-risk plants by the mid 1990s and a strategy for the continued safe operation of the plants. It estimates that a complete shutdown would require 21 billion dollars while continued operation with safety measures in place would cost 28 billion dollars.

If the dismantling of the reactors is included, the cost would further increase.

Bank of Tokyo To Open in Ho Chi Minh City

*OW2406104293 Tokyo KYODO in English 0902 GMT
24 Jun 93*

[Text] Tokyo, June 24 KYODO—The Bank of Tokyo said Thursday it will open a representative office in Ho Chi Minh City on July 2 after an 18-year hiatus. The leading Japanese commercial bank had a branch in Saigon, now known as Ho Chi Minh City, until April 1975 when the Saigon regime surrendered to North Vietnam.

The new office will seek to gather information on oil fields off Vietnam that have estimated reserves of one billion tons. It also will offer consulting services to Japanese companies in Vietnam, bank officials said.

The office is expected to be upgraded to a branch in a year, they said. Several other Japanese commercial banks plan to open offices in Vietnam in fiscal 1993, ending next March.

ROK Questions Japanese Reporter About Documents

*OW2706153593 Tokyo KYODO in English 1246 GMT
27 Jun 93*

[Text] Seoul, June 27 KYODO—The Defense Ministry is interrogating the Seoul bureau chief of Japan's Fuji Television network on suspicion of receiving classified military intelligence from a navy officer, well-placed sources said Sunday. Masato Shinohara, 39, was taken in for questioning on Saturday night and it was still continuing 24 hours later, the sources said.

Foreign correspondents are rarely detained and questioned by the South Korean authorities.

The Japanese Embassy in Seoul expressed concern about Shinohara's treatment. The South Korean Government suspects he received secret military documents on strategic deployment of military aircraft and disposition of army divisions from Lt. Cmdr. Ko Yong-chol, 40, local news reports said.

Ko was arrested Friday on suspicion of leaking classified intelligence to Shinohara. The South Korean prosecutors searched the Seoul office of the Japanese television network and the home of Shinohara to retrieve the documents, the reports said.

Kono Declines Comment on Issue

*OW2806084293 Tokyo KYODO in English 0823 GMT
28 Jun 93*

[Text] Tokyo, June 28 KYODO—Japan refrained from comment Monday on South Korea's detention of a Japanese television reporter suspected of receiving secret military documents. Chief Cabinet Secretary Yohei Kono said he was aware that Masato Shinohara, Seoul bureau chief for Fuji Television Network, had been detained and questioned.

Kono declined to comment whether the questioning for over 36 hours was justified or whether the government would lodge a protest, saying he was not sufficiently informed of details.

Shinohara was apprehended Saturday on suspicion of receiving documents on deployment of military aircraft and positioning of Army divisions from Lt. Cmdr. Ko Yong-chol.

In Seoul, South Korean officials said Shinohara was released Monday but is not allowed to leave the country.

Environmental Agreement Reached With ROK

*OW2306022293 Tokyo KYODO in English 0132 GMT
23 Jun 93*

[Text] Tokyo, June 23 KYODO—Japan and South Korea have agreed to conclude a pact promoting bilateral cooperation in protecting the earth's environment, government sources said Wednesday. Foreign Minister Kabun Muto and South Korean Foreign Minister Han Sung-chu will sign the accord June 29 in Seoul, the sources said. Japan has already signed similar bilateral agreements with the United States and the former Soviet Union.

Under the pact, Japan and South Korea would set up a committee of experts to choose joint projects for environmental improvement. The two countries also plan to exchange scientists and research, and promote seminars. Japan is considering providing advanced technology on desulfurization to South Korea to help Seoul fight worsening air pollution, the sources said.

Foreign Minister Muto Ends Visit to ROK

Discusses Nuclear Issue With Kim

*OW3006053693 Tokyo KYODO in English 0441 GMT
30 Jun 93*

[Text] Seoul, June 30 KYODO—South Korean President Kim Yong-sam and Japanese Foreign Minister Kabun Muto agreed in talks Wednesday (30 June) to keep close contact over North Korea's alleged missile and nuclear weapons development program, Japanese officials said. According to Japan's Defense Agency, North Korea tested a Nodong-1 missile, an improved version of the old Soviet Scud-C missile, with a range of 1,000 kilometers on the Sea of Japan in May.

During the 40-minute meeting, Kim and Muto also concurred to again ask Pyongyang to allow inspections of its nuclear facilities by the International Atomic Energy Agency, the officials said.

Kim urged an early resolution of the problem of Korean women who were forced to serve as prostitutes for soldiers of the Japanese Imperial Army during World War II. "I would like Japan to take the necessary measures soon to promote the development of our bilateral relations," Kim was quoted as saying.

"We want to present our clear standpoint as quickly as possible," Muto replied. "Besides repentance I would like to offer my heartfelt apology," Muto added.

Kim was quoted as saying the problem must not be shelved and that a sincere probe into the issue by Japan would satisfy the Korean people.

Japan, which has so far failed to acknowledge any government part in forcibly recruiting those women, is reported soon to begin a series of interviews with former Korean comfort women as a final stage of its investigation into the truth about the recruitment of the women.

Several former South Korean comfort women first filed a damage suit with the Tokyo District Court in December 1991, leading to a major row between Tokyo and Seoul. Up to 200,000 women, most of them from the Korean peninsula then under Japanese rule, were taken to military brothels to provide sex for Japanese soldiers during the war, historians say.

Muto briefed Kim on the political turmoil in Japan after a successful no-confidence motion against Prime Minister Kiichi Miyazawa's government and the subsequent dissolution of the House of Representatives for a snap general election.

Kim told Muto he hoped for stabilization of Japanese politics.

The president also offered his congratulations on the June 9 wedding of Crown Prince Naruhito and Princess Masako.

Muto arrived in Seoul Tuesday for a two-day visit during which he also had talks with South Korean Foreign Minister Han Sung-chu.

Returns Home From ROK 30 Jun

*OW3006090793 Tokyo KYODO in English 0837 GMT
30 Jun 93*

[Text] Tokyo, June 30 KYODO—Foreign Minister Kabun Muto returned home Wednesday after a two-day visit to South Korea.

Muto met South Korean Foreign Minister Han Sung-chu on Tuesday and with President Kim Yong-sam on Wednesday.

Education Ministry Orders Textbook Changes

*OW3006111393 Tokyo KYODO in English 0846 GMT
30 Jun 93*

[Text] Tokyo, June 30 KYODO—The Education Ministry unveiled Wednesday new high school textbooks, some with passages altered or removed by publishers to reflect government policy on such subjects as wartime "comfort women," the military and foreign workers.

The ministry said the textbooks have gone through its screening system and are allowed to be used from April next year in senior high schools nationwide. Under the system, the ministry gives "instructions" regarding certain passages to publishers, which may make changes to receive authorization.

Publishers submitted 435 textbooks to be screened, 15 of which were not authorized, ministry officials said. The ministry gave an average of 55 instructions per book to publishers, they said.

On the prostitution of Korean women and girls for Japanese soldiers during World War II, one history textbook originally said, "50,000 to 70,000 of about 200,000 Korean women, forcibly drafted, were sent to battlefields as comfort women."

The ministry instructed the publisher that there is no evidence verifying the number of such women or that they were forced into prostitution. The company deleted the numbers and changed the description to read that the women were "said to be gathered forcibly or semiforcibly."

Also changed was a civics textbook that described the Self-Defense Forces (SDF) as illegitimate according to the Constitution, which states military forces and war potential "will never be maintained."

The ministry gave an instruction that there were various arguments about the SDF's legitimacy. In response, the publisher added an opinion that the SDF is not unconstitutional because "military forces should be allowed for defense."

Another civics book said many workers from Asian and Latin American countries are working in Japan under poor conditions. The publisher, in response to a ministry instruction, dropped the passage and replaced it with an explanation that the government does not allow unskilled foreigners to work in Japan.

The Supreme Court in March ruled against a textbook author's 30-year legal battle with the ministry, saying its altering of textbooks does not violate freedom of expression.

In announcing authorized textbooks, the ministry also said items of contemporary popular culture such as celebrities and a video game character, and light material have been included to attract students' interest.

New textbooks for learning English feature such popular figures as Mamoru Mohri, Japan's first professional astronaut, sumo wrestler Takanohana and F-1 auto racer Aguri Suzuki.

In a section about contemporary culture, a book on Japanese history refers to Super Mario, a hero in a popular video game sold by Nintendo Co.

Light essays accompanied by cartoons and photographs have been included alongside classic literature in textbooks on the Japanese language.

PRC Must Take Antipollution Steps for Energy Aid

*OW2206083993 Tokyo KYODO in English 0759 GMT
22 Jun 93*

[Text] Tokyo, July 22 KYODO—Foreign Minister Kabun Muto said Tuesday he has demanded China take measures to prevent pollution such as acid rain that affects Japan if it wants to continue receiving Japanese assistance for power plants.

In a speech at a Tokyo hotel, Muto said he made the call to Foreign Minister Qian Qichen during talks in Tokyo in late May. He said he told Qian, "It is fine for China to build power plants, but by allowing them to run without desulfurization devices, where is acid rain going to fall? It will fall on Japan."

He told Qian that under such circumstances, Japan could not accede to Chinese calls for aid. He was apparently referring to assistance for the building of power plants.

Foreign Ministry officials who gave briefings on the Muto-Qian talks in May did not mention the discussion of the pollution issue and Muto's threat.

China has reportedly moved to tighten controls over about 3,000 enterprises responsible for nearly 60 percent of the annual volume of the country's industrial pollutants. Coal-fired power plants are among targeted enterprises.

China, the world's largest user of coal, emits huge doses of sulfur dioxide, which causes acid rain. It also is a growing producer of carbon dioxide, which contributes to global warming.

Mediation Role in India-Pakistan Affairs Urged

*OW2206123793 Tokyo KYODO in English 1125 GMT
22 Jun 93*

[Text] Tokyo, June 22 KYODO—Japan should take a more active role in helping ease tensions between India and Pakistan, said an advisory body to Foreign Minister Kabun Muto on Tuesday.

In its second annual report on the region, the South Asia Forum said Japan should promote the holding of a multilateral conference on security in the South Asian

region involving India, Pakistan, the United States, Russia, China and Japan. The conference would aim at discouraging both countries from becoming involved in a nuclear arms race by urging them to join the Nuclear Non-Proliferation Treaty.

The forum said the Japanese Government should advocate at separate bilateral talks with India and Pakistan scheduled for this autumn that the two countries join the treaty.

The proposal also contains suggestions for the promotion of a seminar on regional stability. It says Japan could play a bridge-building role in the region by serving as a forum for bilateral talks between India and Pakistan.

It also called for the reconstitution of an economic mission dispatched by the government to visit the South Asian region two years ago and proposes strengthening cultural exchange ties with the region.

General Election Formally Set for 18 Jul

*OW2206045293 Tokyo KYODO in English 0438 GMT
22 Jun 93*

[Text] Tokyo, June 22 KYODO—The government formally decided Tuesday to hold a general election on July 18, with the election campaign to open on July 4. The decision was made at a meeting of the cabinet of Prime Minister Kiichi Miyazawa, who suffered a major setback last Friday, when an opposition-sponsored no-confidence motion against his cabinet was passed by the House of Representatives.

Miyazawa dissolved the powerful lower house immediately after the passage of the motion, which was supported by a rebel faction of the ruling Liberal Democratic Party.

The last general election for the lower house was on February 18, 1990.

The upcoming poll is the first general election since the public office election law was revised last December to narrow the disparity in vote values between densely and sparsely populated constituencies. Under the revised law, one seat each has been added to nine underrepresented constituencies and one seat each taken from 10 overrepresented electoral districts.

As a result, candidates will vie in 129 constituencies across the nation for the 511 seats in the lower house at the coming general election.

The revised law also shortened the election campaign period by one day to 14 days.

Revision of the law narrowed the disparity in vote values between densely and sparsely populous districts from 3.34 to 1 to 2.81 to 1.

Tanaka's Daughter Plans To Run in Election*OW2206091193 Tokyo KYODO in English 0841 GMT
22 Jun 93*

[Text] Niigata, June 22 KYODO—Makiko Tanaka, daughter of former Prime Minister Kakuei Tanaka who was involved in the Lockheed payoff scandal, said Tuesday she will run in the July 18 general election. Makiko Tanaka, 49, told a press conference in Nagaoka, Niigata Prefecture, that she will run in Niigata No. 3 constituency where her father used to stand for election.

Kakuei Tanaka, the nation's one-time political king-maker, retired from politics in 1989 after suffering a stroke in 1985. In 1983, the Tokyo District Court sentenced him to four years' in prison and a 500 million yen fine on a charge of receiving 500 million yen in bribes in connection with aircraft sales by the U.S. maker Lockheed Aircraft Corp.

The Tokyo high court turned down his first appeal in 1987, and Tanaka appealed the case to the Supreme Court.

Earlier Tuesday, Makiko met local supporters to express her desire to run for election.

Political observers said, however, there is speculation that her move is merely intended to build a solid foundation for her son, Yuichiro, who has not yet reached the age of 25 required by law to stand as a candidate in House of Representative elections.

JNP To Nominate Kaieda in Tokyo Constituency*OW2406143293 Tokyo KYODO in English 1353 GMT
24 Jun 93*

[Text] Tokyo, June 24 KYODO—The Japan New Party [JNP] said Thursday it will nominate economic commentator Banri Kaieda as its official candidate for the Tokyo No.1 constituency in the July 18 general election. The nomination will bring the number of candidates running for the reformist Japan New Party to 50, party officials said.

Kaieda, 44, from Tokyo, is a well-known commentator on financial and economic affairs.

Party leader Morihiro Hosokawa told reporters that the Tokyo No. 1 constituency has great symbolic significance, so Kaieda could have an effect on the general election nationwide.

Ohmae's Group To Back 94 Candidates in Elections*OW2406135293 Tokyo KYODO in English 1245 GMT
24 Jun 93*

[Text] Tokyo, June 24 KYODO—A citizen's group led by business consultant Kenichi Ohmae said Thursday it will support 94 candidates in the July 18 general election that it hopes will change the face of Japanese politics.

Ohmae is chairman of Management Consultants McKinsey and Co. Inc. Japan, and he set up his group last November to pressure politicians into putting "people first."

Ohmae's group is called Reform of Heisei and he is a popular critic in Japan and author of several books on Japanese politics.

He told a news conference that his political-reform-oriented group has drawn up a list of 94 candidates it believes can change national politics. The candidates include 33 members of the ruling Liberal Democratic Party, 20 of the Social Democratic Party, seven of the Democratic Socialist Party, three of the United Social Democratic Party (USDP), six of the Japan New Party.

Also, they are seven members of the "Sakigake" Party and four of the Shinseito (New Life Party), both established in the past few days by former members of the ruling party. Among them, a total of 64 candidates, including Tsutomu Hata, the head of Shinseito, and Satsuki Eda, leader of the USDP, are former House of Representative members.

Following a selection stage lasting about six months, Ohmae's group sort-listed 94 members it found acceptable out of an original 150 members.

Ohmae, when he set up his group last year, complained that national politics is directly tied to the nation's bureaucracy and only seven specific interest groups, such as business circles and organized labor. These, in turn, contribute large sums of money to existing political parties, he said.

The group advocates decentralized regional governments, complete opening of markets and a thorough review of the constitution. The group boasts only a few thousands members, but eventually he hopes to attract a million or more people.

Eight Unions To Back New Political Parties*OW2506090293 Tokyo KYODO in English 0552 GMT
25 Jun 93*

[Text] Tokyo, June 25 KYODO—Leaders of eight major union federations agreed Friday to back some candidates of the Japan New Party (JNP) and two ruling party breakaway groups in the July 18 general election, union officials said. The leaders reached the agreement at a Tokyo hotel as part of efforts to end the 38-year unbroken rule of the Liberal Democratic Party (LDP) and see formation of an opposition-led coalition government after the election, the officials said.

The eight federations belonging to the Japanese Trade Union Confederation (Rengo) represent private- and public-sector workers, including those in the automobile, telecommunications, steel, electric power and textile industries.

The unions will provide funds to the candidates and send personnel to help with election campaigns, the officials said. They said the unions may stop backing left-wing candidates of the largest opposition Social Democratic Party [of Japan, SDPJ] (SDP) and divert organized union votes to candidates of the new parties.

Leaders of the eight unions will choose candidates to support at a July 3 meeting after working-level discussions, the officials said.

Rengo, which has eight million members, as a whole is continuing its longstanding support of the SDP and the Democratic Socialist Party (DSP).

On Wednesday, 44 former LDP legislators announced the formation of Shinseito (New Life Party), two days after another 10 LDP lawmakers formed Sakigake (Harbinger). The JNP was formed in May last year.

Former Finance Minister Tsutomu Hata, head of Shinseito, held separate meetings with the leaders of four opposition parties—the SDP, Komeito, the DSP and the United Social Democratic Party—on Thursday in an effort to form a coalition government after the election.

Veteran LDP Member Yamaguchi To Leave Party *OW2606052993 Tokyo KYODO in English 0414 GMT 26 Jun 93*

[Text] Urawa, June 26 KYODO—Former Labor Minister Toshio Yamaguchi said Saturday he will be the 57th defector from the governing Liberal Democratic Party (LDP) next week and run in the July 18 general election for the House of Representatives as a conservative independent.

Yamaguchi, 52, who had maintained a seat in the lower house until its dissolution last week, told reporters that he will opt out of the LDP and continue free political activities toward establishment of a new political party which is capable of taking the helm of government.

Yamaguchi voted for an opposition-submitted no-confidence motion against the cabinet of Prime Minister Kiichi Miyazawa on June 18, which resulted in the dissolution of the lower house.

In 1976, Yamaguchi, along with current Chief Cabinet Secretary Yohei Kono, played a major role in forming the New Liberal Club (NLC), a breakaway group of six LDP legislators, amid the political upheaval triggered by the Lockheed payoff scandal which led to the arrest of former Prime Minister Kakuei Tanaka.

Yamaguchi assumed the post of NLC secretary general. However, both Yamaguchi and Kono returned to the LDP in 1986 when the group was dealt a hard blow in a general election that year.

Earlier this week, 44 LDP members led by former Finance Minister Tsutomu Hata bolted from the party and began the new political party called Shinseito (New Life Party).

Ten other LDP defectors formed a new party called Sakigake (Harbinger), aiming at carrying out political reform to clean up the country's scandal-tainted politics. Two more LDP members have left the ruling party.

Tokyo Poll Seen as Prelude to General Election *OW2606094893 Tokyo KYODO in English 0922 GMT 26 Jun 93*

[Text] Tokyo, June 26 KYODO—Voters in Tokyo will cast ballots on Sunday in the Tokyo Metropolitan Assembly election, the outcome of which will indicate if the Liberal Democratic Party (LDP) will remain in power after the July 18 general election.

The metropolitan election campaigns began on June 18 when the House of Representatives was dissolved after the passage of a no-confidence motion—with the help of rebel LDP members—against the government of Prime Minister Kiichi Miyazawa.

The Tokyo poll is the first large-scale election after LDP defectors formed two breakaway parties after the Diet's dissolution of the lower house. A total of 258 people have filed candidacies for the 128-seat metropolitan assembly election.

Polling starts at 7 A.M. and closes at 6 P.M. Results of the voting by 9.3 million voters are expected shortly after 11 P.M.

The embattled LDP, which has 42 seats, has 72 candidates participating in the election. The party suffered a major setback in the previous election in 1989 because of the Recruit stock-for-favors scandal.

The Social Democratic Party [of Japan, SDPJ], which tripled its force in the previous election, has 32 seats and has 34 candidates participating in the election.

Komeito, with 26 seats, has 25 candidates, and the Japanese Communist Party, with 13 seats, put up 42 candidates.

Four candidates will run on the ticket of the Democratic Social Party, which currently holds four seats.

The Japan New Party, with two seats, has 22 candidates participating in the election.

The breakaway party from the LDP, Shinseito (New Life Party), which has one seat, has one candidate participating. Shinseito was formed by 44 LDP defectors in the Diet on Wednesday, led by former Finance Minister Tsutomu Hata.

JNP Does Well in Amagasaki City Assembly Vote*OW2706175693 Tokyo KYODO in English 1701 GMT
27 Jun 93*

[Text] Amagasaki, Hyogo Pref., June 28 KYODO—The fast-rising Japan New Party (JNP) scored a good showing in an election Sunday for the Amagasaki Municipal Assembly, dissolved on May 25 because of a scandal over assemblymen's misuse of public expenses.

As of 1 A.M. Monday, eight of the JNP's 10 candidates won seats in the 52-seat municipal assembly, election officials said. The party opened its local chapter shortly before the poll.

The JNP's performance coincided with its victory in Sunday's Tokyo Metropolitan Assembly election. There, the party won 20 seats in the 128-seat assembly, compared with two it held before the election was called.

A report in May by an investigative committee of scholars and citizens said all 48 members of the Amagasaki assembly had either claimed fictitious travel expenses or padded expenses on legitimate trips, or both. About 19.5 million yen was misappropriated between 1991 and 1992.

Four members resigned earlier.

The assembly members reimbursed the municipal government for squandered funds on May 21.

A total of 89 candidates ran in the election, including 25 who held seats in the assembly before its dissolution. One was an ex-assembly member.

Twenty-three of the 48 former assembly members took note of public anger over their behavior and refrained from running. Voter turnout was 56.45 percent.

SDPJ To Continue Seeking Non-LDP Coalition*OW2806143693 Tokyo KYODO in English 1341 GMT
28 Jun 93*

[Text] Nagoya, June 28 KYODO—Hirotaka Akamatsu, secretary general of the Social Democratic Party (SDP) [of Japan, SDPJ], said Monday his party will continue seeking to forge a coalition government with non-LDP forces after the July 18 lower house election despite its major setback in Sunday's Tokyo Metropolitan Assembly election.

Speaking at a news conference, Akamatsu said his party failed to win ballots from voters who are critical of the ruling Liberal Democratic Party (LDP) because the "realistic approach" of the new SDP leadership is not known to most Tokyo voters.

"It is a large task to bring to an end the one-party rule by the LDP in the general election. It is not a wise policy to

put emphasis on one's own policies too much or to try to gain more votes by criticizing other opposition parties," Akamatsu said.

The SDP obtained only 14 seats in the Tokyo Metropolitan Assembly election, less than half its preelection strength of 32.

Komeito also confirmed at a meeting of Central Executive members its policy to seek a noncommunist and non-LDP coalition government after the general election.

Komeito Chairman Koshiro Ishida told the meeting his party must be pivotal for a coalition and political reform. Komeito succeeded in having all 25 of its candidates elected in the Tokyo Metropolitan Assembly election.

Meanwhile, Tsutomu Hata, leader of the newly formed LDP breakaway party Shinseito, or Japan Renewal Party (JRP), told reporters in Osaka that he expects the Japan New Party and another LDP splinter party Sakigake (Harbinger), will take part in a possible coalition government excluding the LDP.

Ten LDP defectors formed Sakigake last Monday and another 44 LDP dissidents formed the JRP on Wednesday.

LDP Adds Six Candidates to Election List*OW2806092893 Tokyo KYODO in English 0902 GMT
28 Jun 93*

[Text] Tokyo, June 28 KYODO—The ruling Liberal Democratic Party (LDP) added six candidates to its official list Monday for the July 18 general election, bringing the total to a record low 282. Prime Minister Kiichi Miyazawa and LDP Secretary General Seiroku Kajiyama finalized the list at a meeting, party officials said.

On whether former Prime Minister Noboru Takeshita will be recognized as an official LDP candidate, the officials said Kajiyama will make a final decision after meeting with Takeshita on Wednesday. But party sources say Takeshita will not win LDP recognition and will have to run as an independent.

Takeshita, from the Shimane Prefecture constituency, has rejected opposition demands to resign, denying allegations he gained the help of a crime syndicate boss to stop a smear campaign against him when vying for the LDP presidency in 1987.

The LDP had 275 seats in the House of Representatives when Miyazawa dissolved the chamber June 18 for a snap general election after a no-confidence vote was passed against his cabinet.

A total of 47 lower house members have since bolted the ruling party. Former Labor Minister Toshio Yamaguchi

also announced Saturday he too will quit the LDP, bringing to 48 the total number of lower house defectors from the party.

Overall, 56 LDP Diet members have quit the ruling party. Ten formed a party called Sakigake (Harbinger) and another 44 established Shinseito, headed by former Finance Minister Tsutomu Hata.

Miyazawa told Kajiyama he will do his utmost for the general election campaign after the July 7-9 summit of the Group of Seven (G-7) major industrial nations in Tokyo, party officials said. "Please set (campaign) schedules as I will make a determined effort if there is a role I can play after the summit," Miyazawa, who will host the G-7 summit, was quoted as saying.

Miyazawa was not invited to campaign for Sunday's Tokyo Metropolitan Assembly election after a humiliating no-confidence motion was passed against him in the Diet on June 18.

The prime minister shut himself in his official residence during the June 18-26 election campaign period for the Tokyo election to prepare for the G-7 summit, aides said. The LDP won 44 seats, two more than it previously held, in the election.

A top government official said it is natural for the LDP to seek a simple majority from the general election, but holding the 228 seats the party held in the lower house after 47 LDP members bolted would be an alternative indicator of Miyazawa's performance. The official, who spoke on condition he not be identified, did not say what action the prime minister should take if he failed to win at least 228 seats.

Miyazawa 'Indirectly' Apologizes to Public

*OW2906080193 Tokyo NHK General Television
Network in Japanese 0310 GMT 29 Jun 93*

[From "NHK News" program]

[Text] Prime Minister Kiichi Miyazawa held talks with Masaharu Gotoda, deputy prime minister and concurrently justice minister, after a cabinet meeting today. In the talks, Prime Minister Miyazawa indirectly apologized to the people, saying that he is very sorry for failing to carry out political reform during the latest Diet session. The 10-minute meeting was held at the prime minister's official residence after a regular cabinet meeting. Chief Cabinet Secretary Yohei Kono was also present at the Miyazawa-Gotoda meeting.

After briefing Gotoda and Kono on the progress of political reform, Prime Minister Miyazawa stated: It is very regrettable that, as a result, political reform was not carried out. I would like to express my apology to the general public.

In this way, the Prime Minister indicated his intention to apologize to the people for failing to carry out political reform at the Diet session.

In reply, Deputy Prime Minister Gotoda stated: I understand that the prime minister had made the utmost efforts to bring about political reform. I would like the prime minister to tackle political reform again with an indomitable resolve.

Deputy Prime Minister Gotoda, thus, indicated that Prime Minister Miyazawa should continue his efforts to bring about political reform.

Nakayama, Mori Attack New Life Party, SDPJ

*OW2906060793 Tokyo NHK General Television
Network in Japanese 0309 GMT 29 Jun 93*

[From "NHK News" program]

[Text] At a news conference held this morning after a cabinet session, Economic Planning Agency Director General Takatori said: Even if the ruling Liberal Democratic Party [LDP] fails to gain the majority of the seats in the upcoming general elections, the LDP should continue to remain the majority party and have first choice in nominating a prime minister. Even if the LDP remains a minority ruling party, an LDP-controlled cabinet will remain in place for the time being unless the opposition introduces a bill in the Diet opposing the LDP-controlled cabinet remaining in place. In this way, he indicated that the LDP should stay in power even if it fails to win the majority of seats in the general elections.

At a news conference this morning after a cabinet session, International Trade and Industry Minister Mori said: The New Life Party [Shinseito] led by Mr. Hata has been kowtowing to opposition parties, and the people regard their behavior as shameful. If they argue that it is important to form a Yamahana government, it would be understandable. However, it is presumptuous to argue for forming a Hata government.

Defense Agency Director General Nakayama, speaking at a news conference this morning after a cabinet meeting, said: The New Life Party and the main opposition Social Democratic Party of Japan [SDPJ] are aiming to form a non-LDP coalition government after the general elections. It will be hard for the two parties to inherit Japan's longstanding foreign and defense policies. Mr. Miyazawa is being accused of telling lies because of his failure to initiate political reforms, despite his efforts to do so. Since it is said that the two parties intend to make a 180-degree turn in Japan's longstanding foreign and defense policies, they will become big liars. Thus, Mr. Mori lashed out at the SDPJ and the New Life Party.

18 Jul Upper House By-Elections Set for 3 Seats

*OW2906131493 Tokyo KYODO in English 1032 GMT
29 Jun 93*

[Text] Tokyo, June 29 KYODO—Electoral officials said Tuesday by-elections will be held for three seats in the House of Councillors on July 18, the same day as the

lower house election. Candidates will register Thursday in polls for one upper house seat in Fukushima Prefecture and two in Gifu Prefecture, they said.

The by-elections will be held to fill vacancies of three upper house members who resigned to run for seats in the House of Representatives.

Three candidates are expected to run in Fukushima, respectively on the tickets of the ruling Liberal Democratic Party, the Social Democratic Party and the Japanese Communist Party. Three people from the same parties are expected to contest the poll in Gifu, where the winner will secure a five-year term and the runner-up a two-year term, the officials said.

Banks Consider Loaning LDP Campaign Funds

OW2406021193 Tokyo KYODO in English 0036 GMT 24 Jun 93

[Text] Tokyo, June 24 KYODO—Major commercial banks are considering providing the ruling Liberal Democratic Party (LDP) with some 15 billion yen in loans for campaign funds for the July 18 general election, banking sources said Thursday [24 June].

According to the sources, nine or 10 major commercial banks are likely to take part in the joint financing to the LDP, which is facing the most serious challenge yet to its 38-year uninterrupted one-party rule in the upcoming election. The final decision on the loan will be made after Dai-ichi Kangyo Bank, which currently heads the Federation of Bankers Associations of Japan, coordinates views on the matter among the banks within this week, the sources said.

The LDP earlier called on the banking industry for a loan of some 20 billion yen for its campaign funds. But the banks plan to offer the lower figure in view of the decreased number of LDP legislators due to the recent split in the ruling party, they said. Two new parties have been established this week by LDP defectors dissatisfied with Prime Minister Kiichi Miyazawa's failure to achieve political and electoral reform.

Eight Banks Make Loans to LDP

OW2906100693 Tokyo KYODO in English 0841 GMT 29 Jun 93

[Text] Tokyo, June 29 KYODO—Eight of Japan's 11 major commercial banks said Tuesday they have jointly loaned 10 billion yen to the governing Liberal Democratic Party (LDP) to help finance its campaign for the July 18 general election.

The interest rate on the loan was set at 5.125 percent, 1.125 percentage points higher than the short-term prime lending rate on loans of one year or less to the most creditworthy customers, which stands at 4 percent per annum.

The banks, including the Dai-ichi Kangyo Bank, said they are holding promised political contributions to the LDP from the Federation of Economic Organizations (Keidanren), Japan's biggest business lobby, as collateral.

Japan New Party, 'Sakigake' Plan To Merge

OW3006090593 Tokyo KYODO in English 0840 GMT 30 Jun 93

[Text] Beppu, Oita Pref., June 30 KYODO—Japan New Party (JNP) leader Morihiro Hosokawa said Wednesday his party will merge with Sakigake, a breakaway from the ruling party, after the July 18 general election. In a campaign speech, the leader of the 13-month-old party said, the JNP "is scheduled to formally marry Sakigake after the general election."

But Hosokawa, a member of the House of Councillors, said the JNP will keep its distance from another LDP breakaway, Shinseito (Japan Renewal Party) [New Life Party], led by former Finance Minister Tsutomu Hata.

Hosokawa, a former Kumamoto Prefecture governor, is expected to announce later in the day his candidacy for the House of Representatives from the prefecture's No. 1 constituency.

Ten LDP defectors led by Masayoshi Takemura formed Sakigake (Harbinger) and another 44 LDP defectors inaugurated Shinseito last week after voting with the opposition to pass a no-confidence vote against Prime Minister Kiichi Miyazawa's government June 18.

The JNP and Sakigake have refused to join consultations among Shinseito and opposition parties for a possible coalition government after the election.

The JNP did well in last Sunday's Tokyo metropolitan assembly election, winning 20 seats in the 128-seat assembly. It had two seats before the election.

After the result, Hosokawa indicated the JNP will increase the number of candidates running on the party ticket for the general election to about 70 instead of 60 as initially planned. The party, formed last year, has four seats in the upper house and none in the lower house.

Regional LDP Leaders Criticize Miyazawa

OW3006103493 Tokyo KYODO in English 1027 GMT 30 Jun 93

[Text] Tokyo, June 30 KYODO—Prime Minister Kiichi Miyazawa was criticized Wednesday by ruling Liberal Democratic Party (LDP) prefectural executives for causing the creation of new parties by politicians breaking away from the LDP following his failure to achieve political reform. In a meeting of secretaries general of the LDP's prefectural branches at the party headquarters, Miyazawa expressed determination to

secure a majority in the July 18 general election, saying "we must put top priority on political stability first of all."

Miyazawa apologized for having brought about an election in difficult conditions for the LDP, and said he would try to help the party scale the obstacles that lie ahead.

He criticized opposition talk of forging a coalition after the election, saying "politics includes national life, national security and diplomacy. Doing political reform does not mean doing national politics. How can such people (who only call for political reform) take the lead in politics?" he asked.

Miyazawa dissolved the House of Representatives on June 18 after losing a no-confidence vote against his government for his failure to achieve political reform during the Diet session.

LDP Secretary General Seiroku Kajiyama said voters will be asked in the election whether they want a stable government or an unstable coalition.

The session was closed to reporters but voices could be heard from outside the room.

The representative from Kyoto said the party leadership has been pledging to achieve political reform and cannot settle the matter only by apologizing.

The Fukui representative said there must have been mistakes in the management of the party, while the secretary general from Ehime proposed changing the party name to the Liberal Progressive Party.

Miyazawa To Put 'Political Life on the Line'

*OW3006130093 Tokyo KYODO in English 1244 GMT
30 Jun 93*

[Text] Tokyo, June 30 KYODO—Prime Minister Kiichi Miyazawa said Wednesday he will not step down after hosting the July 7-9 summit of the Group of Seven (G-7) major industrial nations in Tokyo.

Miyazawa told reporters he will not resign. "I intend to put my political life on the line in leading the fight in the general election for the House of Representatives on July 18," he said.

Miyazawa dissolved the lower house on June 18 for a snap general election after losing an opposition no-confidence motion against his government passed with the help of rebel ruling Liberal Democratic Party (LDP) members. He said he resents being called a liar for failing to achieve political reform in the Diet session and blamed the opposition camp for the failure.

Miyazawa said that on June 18, he agreed to a suggestion by House of Representatives Speaker Yoshio Sakurauchi to extend the Diet session but the opposition leaders did

not go to meet Sakurauchi to discuss the issue. Instead, they submitted a no-confidence motion against the cabinet, he said.

While saying he does not want to make excuses, he said opposition leaders destroyed the chance for further talks at the special committee to discuss political reform.

The LDP submitted a package of political reform bills, including an electoral reform bill calling for single-seat constituencies, to the lower house at the regular Diet session. But it also sought an accord on the issue with the opposition and failed.

The LDP planned to enact political and electoral reform bills as a package, and Miyazawa had repeatedly vowed to achieve political reform during the Diet session.

Keidanren Official Resigns Over Bribes Scandal

*OW3006114293 Tokyo KYODO in English 1029 GMT
30 Jun 93*

[Text] Tokyo, June 30 KYODO—The Federation of Economic Organizations (Keidanren) has accepted the resignation of Harusuke Imamura, president of the scandal-ridden Shimizu Corp., as chief of its subcommittee, federation officials said Wednesday. Imamura wanted to resign to take responsibility for the fact that Shimizu's vice president, Koji Ueno, was arrested by Tokyo prosecutors Tuesday on suspicion of bribery, the officials said.

Ueno was arrested along with five executives of four major general contractors—Hazama Corp., Nishimatsu Construction Co. and Mitsui Construction Co. as well as Shimizu—for allegedly offering about 100 million yen in bribes in April last year to the mayor of Sendai, Toru Ishii. Ishii was also apprehended by the prosecutors on Tuesday for allegedly accepting the bribes.

The scandal came against the backdrop of U.S. pressure to introduce an open bidding system by scrapping the Japanese system of "designated bidding" in which national and local governments determine which companies get a chance to bid for a public works project.

Sports Peace Party Leader Inoki Resigns

*OW3006104193 Tokyo KYODO in English 0913 GMT
30 Jun 93*

[Text] Tokyo, June 30 KYODO—Professional wrestler-turned-politician Kanji "Antonio" Inoki said Wednesday he has resigned as Sports Peace Party leader for causing confusion in party affairs, denying allegations he was bribed to withdraw from a 1991 gubernatorial race.

Takenori Emoto, a former professional baseball player and a member of the House of Councillors, will be acting leader, Inoki said.

Inoki, also an upper house member, told a televised press conference his resignation is "painful" and he "wants to

apologize to people who have supported the party." He categorically denied allegations by his former aide that he withdrew his candidacy for the 1991 election for Tokyo governor in exchange for the scandal-tainted Tokyo Sagawa Kyubin trucking firm paying off his debts.

Inoki's former Secretary Kumiko Sato filed a criminal complaint earlier this month with prosecutors against him for the alleged fraud case and violation of the Income Tax Law.

According to Sato, Inoki accepted a tax refund of 8.6 million yen for 1990 by having her forge receipts, adding he received tax refunds for 1991 and 1992 in violation of the Income Tax Law. Inoki, showing his own calculation of tax refunding, said the figures she has insisted on are untrue.

Sato said Inoki agreed to withdraw from the governor's race when he met in March 1991 with Hiroyasu Watanabe, president of the now-defunct Tokyo Sagawa at the center of a money-and-mobster scandal, and Ichiro Ozawa, then secretary general of the ruling Liberal Democratic Party (LDP).

Inoki, brushing aside the charge, said a debt guarantee provided by Watanabe was "purely a financial deal," adding he received the assistance "in the form of borrowing money" which have not yet been all paid back. Asked if there was any unfair maneuvering, Inoki replied flatly that such things "never happened."

The LDP reportedly made the pitch to Inoki because the party, along with the centrist Komeito and Democratic Socialist Party, was backing former television anchor Hisanori Isomura against incumbent Shinichi Suzuki. Suzuki, supported by the LDP's local chapter, was elected to a fourth term.

Inoki, who founded new Japan Pro-Wrestling Co. in 1972, was elected to the upper house in 1989 on a proportional representation basis from the Sports Peace Party.

BOJ Claims Economy Not Yet Reached Bottom

OW2206151693 Tokyo KYODO in English 1049 GMT 22 Jun 93

[Text] Tokyo, June 22 KYODO—Japan's economy continues to "look for bottom," with economic data showing mixed signals, the Bank of Japan said in a monthly report released Tuesday. The central bank report on fiscal and monetary trends pointed to progress in inventory reductions and its own latest quarterly report showing that business sentiment has stopped eroding.

But it noted that consumer spending remains sluggish as shown by weak data on retail sales and sales of autos and travel tickets, although there are some bright spots such as a recovery in sales of electric home appliances.

Briefing reporters on the latest monthly report, a central bank official said the stock market's tumble in the wake of political turmoil at home should not have "a big negative impact" on the economy. The official singled out the yen's fall since Prime Minister Kiichi Miyazawa's loss of a non-confidence vote last Friday as a factor working in favor of export-oriented businesses.

In its latest monthly report, the Economic Planning Agency claimed that the economy has hit bottom, but the central bank has been cautious about drawing such a conclusion.

Domestic Banks' Pretax Profits 'Decline' in 1992

OW2906100493 Tokyo KYODO in English 0807 GMT 29 Jun 93

[Text] Tokyo, June 29 KYODO—Japan's 151 banks had a combined unconsolidated pretax profit of 2.25 trillion yen in fiscal 1992, which ended March 31, down 21.3 percent and the fourth straight year-on-year decline, the Japan Federation of Bankers Associations said Tuesday [29 June].

Officials attributed the sharp fall in earnings to huge loan losses and an increase in the write-off of nonperforming loans, as well as a major drop in profits from sales of stocks. Loan loss reserves soared 87.6 percent, or 544.8 billion yen, liquidation of bad loans surged 271.6 percent to 174.9 billion yen, and profits from the sale of stocks plunged 71.5 percent to 1.80 trillion yen.

Bad loans extended to insolvent companies totaled 2.91 trillion yen, accounting for 0.5 percent of all loans provided by Japan's city, regional, secondary regional, trust and long-term credit banks. The officials did not disclose figures for other nonperforming loans, including arrears.

Net profits were also on a downward slide for the fourth successive year, plunging 35.8 percent to 897.6 billion yen. Supported by lower interest rates, however, profits from the core banking business rose 26.1 percent to 4.69 trillion yen.

Cancellation of time deposits by corporations in light of the economic slowdown and devaluation of overseas deposits due to the stronger yen combined to push down the amount of total deposits to 552.83 trillion yen.

Falling for the third year in a row, the figure was down 5.0 percent from the year before, the biggest rate of decline in the postwar era.

• Bank lending in fiscal 1992 grew a marginal 0.9 percent—a postwar low—to 542.43 trillion yen.

Local Governments Draft 'Extra Budgets'

OW2906100393 Tokyo KYODO in English 0844 GMT 29 Jun 93

[Text] Tokyo, June 29 KYODO—Five big cities and 42 prefectures have compiled extra budgets totaling 1.23

trillion yen to finance more public works spending in line with the government's latest pump-priming package, a survey by KYODO News Service showed Tuesday. The supplementary budget plans were submitted to municipal and prefectural assemblies in May and June.

A Home Affairs Ministry official said the size and early timing of the extra budgets show "how seriously local governments are willing to bolster the economy." Usually, such budgets are drafted by local governments in September and December, except for spending on disaster restoration and other emergency works.

Most of the funds plan to be used to finance road repairs and other public works projects, distribution of personal computers to schools and loans to small companies hardest hit by the economic slump, all envisioned in the national 13.2 trillion yen stimulus package unveiled in April.

Some prefectures like Kyoto and Hiroshima set aside extra money for helping companies hamstrung by the recent sharp rise of the yen.

The national government has already received Diet approval for its 2.19 trillion yen supplementary budget to fund the program. The 1.23 trillion yen extra budgets will be funded by subsidies from the central government, which will also redeem debts floated by the local governments with grants.

The survey also found Ibaraki, Chiba, Tokyo, Kanagawa, and Toyama are the only prefectures not to have compiled extra budgets, along with seven big cities, including Yokohama and Kobe.

Naming of Firms Revoking Job Offers To Continue

OW3006111493 Tokyo KYODO in English 0918 GMT 30 Jun 93

[Text] Tokyo, June 30 KYODO—New Vice Labor Minister Yukinori Wakabayashi said Wednesday the ministry will continue revealing the names of companies revoking employment pledges next year. Wakabayashi told an inaugural news conference a study will be made on ways of making disclosures.

The ministry disclosed the names of 100 enterprises which canceled employment pledges to new graduates due to a business slump this spring. Labor Minister Masakuni Murakami earlier said the ministry was still undecided about whether to continue the practice next year.

MITI: Prices of Imported Goods Remain 'High'

OW2206145093 Tokyo KYODO in English 1218 GMT 22 Jun 93

[Text] Tokyo, June 22 KYODO—Prices of goods imported from the United States and Europe remained

high despite the appreciation of the yen, the Ministry of International Trade and Industry reported Tuesday.

The ministry said the report was based on a price survey conducted on 137 brands of 43 products in Tokyo, New York, Los Angeles, London, Paris and Dusseldorf from January to February this year. The survey, the eighth in a series, showed that Japanese products were sold in Japan at prices even or lower than in the U.S. or Europe, the ministry said.

In contrast, the ministry said 10 out of 14 products imported from the U.S. were sold at higher prices in Japan than in their domestic market. Among them, three U.S.-made items—spark plugs, tennis balls and cigarette lighters—were twice as expensive in Japan as in the U.S., the ministry said.

As for European products, 36 of 44 items surveyed, including perfume and porcelain, were more expensive in Japan than in Europe, the report said.

The ministry said gasoline prices in Japan were more than three times the price charged in the U.S.

Prices of European-made cosmetics, magazines and movie tickets were more than twice the price in Japan than in Europe, the report said.

VCR, TV Exports Said Down; Imports Rise

OW3006111193 Tokyo KYODO in English 0801 GMT 30 Jun 93

[Text] Tokyo, June 30 KYODO—Japan's imports of videocassette recorders (VCRs) and color television sets soared in May in sharp contrast to a double-digit fall in exports, an industry association reported Wednesday. The Electronic Industries Association of Japan said Japan's VCR imports in May jumped 40.3 percent over the year before to 55,000 while those of color TV sets soared 84.9 percent to 270,000.

The association cited expanded local output by Japanese makers in Asia for the sharp import growth, and increased production under original equipment manufacturing (OEM) arrangements in South Korea and elsewhere.

VCR imports from Malaysia normally account for nearly 30 percent of the monthly total, but in May dropped 10.6 percent to 21,000. Imports from South Korea surged 12.9 percent to 16,000, the association said. It said imports from Singapore and Thailand also rose.

In contrast, Japan's VCR exports plummeted 17.3 percent from the year before to 1,104,000, posting the 19th straight year-to-year fall, the association said.

Exports to the United States, the main export market, plunged 28.2 percent to 340,000 while those to Hong Kong and China were down 67.5 percent and 39.1 percent, respectively, at 54,000 and 44,000.

Exports to the European Community surged 19.2 percent to 111,000 while those to Singapore and Indonesia jumped 43.8 percent and 104.0 percent to 195,000 and 78,000, respectively.

Domestic shipments declined 6.6 percent to total 295,000.

The association said imports of color TV sets topped exports for the first time this year. Imports from Asia accounted for 90 percent of the total, it said.

Imports from South Korea soared 94.1 percent from a year earlier to 99,000 while those from Taiwan and Malaysia climbed 74.1 percent and 51.9 percent, respectively, to 41,000 and 45,000, the association said. In contrast, the association said exports of color TV sets declined 22.6 percent to 242,810.

It said exports to China plunged 30.6 percent to 90,000 while shipments to the United Arab Emirates fell 13.1 percent to 23,000.

Exports to Hong Kong were down 20.8 percent at 60,000, the association said.

Shipments to Singapore jumped 120.5 percent to 23,000 while those to Saudi Arabia gained 13.3 percent to 15,000, it said.

The association said domestic shipments were down 4.0 percent at 547,000.

Report Says 1991 ODA 'Used Effectively'

OW2606090393 Tokyo KYODO in English 0825 GMT 26 Jun 93

[Text] Tokyo, June 26 KYODO—Japan's Official Development Assistance (ODA) funds were used effectively in fiscal 1991, except a few cases of shortcomings, the Foreign Ministry's report said Saturday. The ministry said the report was based on an assessment of Japanese aid provided for 140 projects in 46 countries during the year which ended March 31, 1992.

The assessment is designed to improve the quality of Japanese aid to developing countries, the ministry said, adding that Japan is the only donor nation to make a public evaluation of foreign assistance.

Japan is likely to retain its position as the world's largest donor of Official Development Assistance for the second straight year in fiscal 1992.

The ministry said there were only a few cases in which Japanese funds were wasted. Those unsuccessful cases included a shrimp breeding project in Brazil which resulted in raising fresh water shrimps instead of sea-water shrimps.

Another failed project occurred in Nigeria where Japanese funds were used to purchase medical equipment for

a medical university. But the equipment was out of order and left unrepaired because of the absence of qualified engineers.

In Indonesia, a joint Japanese-Indonesian nickel mine development project has been stalled because the Jakarta government failed to raise its share of the funds, the report said.

It said that no environmental problems attributable to the projects funded by Japan were discovered.

North Korea

Delegation Meets Israeli Officials on Missile Sale

TA2606184593 Jerusalem Israel Television Network in Hebrew 1800 GMT 26 Jun 93

[Text] Official Israeli representatives held a meeting in Beijing yesterday with a senior North Korean delegation, headed by the secretary of the North Korean Communist Party. The Israeli delegation is headed by the deputy director general of the Israeli Foreign Ministry. Our political correspondent Gadi Sukenik reports that so far the details of the meeting are kept secret, but it is known that its purpose is to ascertain whether Israel can prevent the sale of improved Scud missiles to Iran to the tune of approximately \$1 billion.

ROK Minister Accused of Abandoning Dialogue

SK3006044393 Pyongyang KCNA in English 0425 GMT 30 Jun 93

[Text] Pyongyang, June 30 (KCNA)—South Korean "Foreign Minister" Han Sung-chu said the South side "will not propose dialogue to the North side," once more revealing the South Korean authorities' criminal intention to totally abandon dialogue, according to a CBS report on June 27.

Distorting the fact, the South Korean authorities alleged that they had to abandon dialogue because "the North side has, in fact, broken up the dialogue between the authorities of the North and the South."

They had insisted only on the discussion of the nuclear problem at a low level. This could not be construed otherwise than an intention to refuse dialogue.

They, however, preposterously enough, alleged that the North side "broke up the dialogue."

It is not the North but the South Korean authorities who broke it up. They disliked dialogue from the beginning, letting out the provocative outburst that "they will not shake hands with a side possessed of nuclear weapons."

It is not difficult to see the real aim of the separatists in blocking the road of dialogue between the North and the South. Dismissing the dialogue itself meaningless, Han Sung-chu blared that "they have a plan to strengthen the

international cooperation system to induce the UN Security Council to take additional sanctions."

Discontented inwardly with the DPRK-U.S. joint statement, the South Korean authorities are now resorting to crafty ruses to deal a blow to the North over the fictitious "nuclear problem". This is, after all, an act of digging their own grave.

The South Korean authorities must not act on impulse, mindful that if they continue to seek confrontation with the North and aggravate the tension, tailing after outside forces, it might lead to an unpredictable situation and endanger their own existence.

Reunification Group Urges 'Correct Attitude'

*SK2606102593 Pyongyang Korean Central
Broadcasting Network in Korean 1400 GMT 25 Jun 93*

[Statement issued by the Committee for the Peaceful Reunification of Fatherland on 25 June—read by announcer]

[Text] It is the entire nation's earnest desire and invariable will for North and South to be reconciled and united to reunify the country in the 1990s.

Out of a sincere desire to achieve national unity at an early date and jointly open an exit for the nation, we proposed last April the 10-point program for great unity of the entire nation, which is of epochal significance in resolving the issue of the fatherland's reunification. We also advanced a momentous proposal in May on the exchange of special envoys to discuss the pending issues, including a meeting between the two sides' top leaders and the nuclear issues, and we have made every effort to implement the proposal.

However, a grave situation is taking place in South Korea that runs counter to the fellow countrymen's ardent desire to reunify the fatherland and our sincere efforts for national unity. The person in authority in South Korea, who had shifted the blame for the resumption of the Team Spirit joint military exercise this year to his predecessor, recently showed up on a frontline area along the Military Demarcation Line; babbled about the North's provocation; and called for maintaining full combat readiness. He even started the large-scale Ulchi-93 war exercise against us on 21 June. Large-scale war exercise commotions are being staged in South Korea in a war-like atmosphere, driving all of South Korea to fear and anxiety. As a result, tension has been revived between the North and South, and the situation is being led to an extreme confrontation in full swing.

The South Korean authorities treated the opponents who had called for promoting great unity with a confrontational attitude and answered their fellow countrymen who proposed the exchange of special envoys with the war exercise. Such acts by them cannot be justified under any excuse.

The Committee for the Peaceful Reunification of the Fatherland considers the South Korean authorities' reckless bellicose act to be an undisguised challenge to our sincere attitude toward reconciliation, unity, and dialogue, and to be an antinational crime going against peace in the country and its peaceful reunification. We sternly denounce this in the name of the entire nation.

Since the civilian regime emerged in South Korea, we have been watching its attitude on the fatherland's reunification. In particular, the person in authority in South Korea said that no allies are better than the fellow countrymen and proposed that the top leaders of the North and South should meet any time from the perspective of being members of the same nation. We have paid attention to his words which sounded good and which his predecessors did not mention. We truly hoped that he would be our sincere companion [chinsilhan tongbanja] on the road to the country's reunification.

However, today, more than 100 days after he took office, he uttered words quite different from what he had previously said and reversed his own official remarks. In this way, he promoted confrontation between the North and South and further aggravated tension between the North and South.

In particular, since the DPRK and the United States of America [mihapchungguk] released a joint statement, the words and deeds of the person in authority in South Korea have become harsher [touk kochirojigoitta], probably because he is uneasy and anxious. Using us as a pretext, he raved that the U.S. troops should remain in South Korea and that the National Security Law must remain. He even said that he would not shake hands with us.

True to his words, the South Korean authorities rejected our proposal on the exchange of special envoys. As a result, North-South dialogue, once seemed possible, has become more and more difficult to be held.

In South Korea, the South Korean Federation of General Students Councils is termed as a group benefiting the enemy for making international calls to students in the North and overseas, which is a violation of the National Security Law. Hundreds of thousands of students are placed on the wanted list by the security authorities, and those students who tried to go to Panmunjom to attend talks for the exchange of students and the establishment of sisterhood ties were brutally suppressed by guns and bayonets.

All facts indicate that civilian politics and reform are gradually regressing to outdated means of oppressive rule and conservatism in South Korea, and that the policy of blindly following outside forces and the splittist policy, not national ideology, are once again running the show. Furthermore, a provocative war commotion is being carried out. Therefore, the policies of subordination and fascism, and division and war are becoming all the more candid.

There is nothing strange in South Korea's ruling force overturning today what it said yesterday. Also there is no need to blame it. They are merely paying the price for their wrong behavior and will pay a higher price in the future.

Ephemeral reform devoid of ideology or direction has been exhausted and is in a dilemma. The civilian regime's popularity is rapidly declining among South Korean workers, farmers, youth, students, and intellectuals and even those with vested rights.

Along with the whole nation, we are moving to achieve reunification in the nineties. We are expressing deep worry over the unstable situation of South Korea's current regime which already reveals weakness in its self-contradiction in its initial stage of office. Moreover, we are gravely warning South Korean authorities against their unreasonable acts of deceiving and ridiculing the people, fostering confrontation and division within the nation, and moving toward antialogue, antipeace, and antireunification.

The most fundamental problem among the criminal acts of the South Korean authorities is that they are trying to justify all of their antialogue, antipeace, and antireunification acts by finding fault with the North's nuclear issue. They themselves overturned their proposal for a summit meeting citing the North's nuclear issue and refuse to accept our proposal to exchange special envoys. Continuing to station U.S. troops in South Korea, to hold war exercises, and to prevent South-North contacts and exchanges by maintaining the National Security Law, are attributed to the North's nuclear issue also.

The North's nuclear issue which the South Korean authorities are passing around indiscriminately as though a remedy for all diseases is a slogan for anticommunist confrontation which the preceding successive ruling bunch tried to rationalize in all of their antinational criminal acts. Originally, the nuclear issue on the Korean peninsula was put forth when foreign nuclear weapons were brought into South Korea to oppose our Republic, and it became all the more grave when we received nuclear threats from outside. There has been no other nuclear issue.

The North's so-called nuclear issue is fiction fabricated by the international reactionaries to smash [apsal] our Republic, the fortress of socialism. This is a product of their hostile policy on our Republic.

Nevertheless, the South Korean authorities have no faith in fellow countrymen who say that they have no intention to produce nuclear weapons. Rather they are indiscriminately passing around fiction fabricated by outside forces and are acting as a shock brigade of nuclear commotion. This goes to prove that they are nothing but a servant and stooge of nuclear powers who pull the nuclear chariot.

If the South Korean authorities continue follow the instruction of others in finding fault with the North's

nuclear issue with which they are not familiar and thus drive North-South relations toward a continued state of acute confrontation and estrangement, it will only invite outside forces to fish in troubled waters while bringing about calamity and disaster of a new nuclear war on our nation. Moreover, this will by no means present the South Korean authorities with good results.

The South Korean authorities should bear in mind that the treachery and fascism, and division and war they pursue are a road to destruction and disgrace which their predecessors walked, and they should learn a lesson from the tragic last days of the string of predecessors who betrayed the nation after becoming henchmen of outside forces under the pretext of anticommunism.

They should not carry out foolish acts as abandoning their dignity and authority by following outside forces, and should not ridicule the nation by making it their business to continue to carry out acts of betrayal and disguise before the nation's important matters. Also, they should not dig their own grave by following in the footsteps of the Fifth and Sixth Republics.

Who can regard a regime that has no real power because it is bound by outside forces, is a counterpart whose credibility has been lost by betrayal and disguise, and is a regime whose future is unstable and weak like its predecessors, as a partner for reunification and a counterpart for dialogue, and shake hands with them?

If the nation is to be saved from the crisis of disaster and achieve the country's reunification cause in the nineties without fail, the South Korean authorities should truly awaken themselves and switch its policy from the position of national independence. Also, they should have a correct attitude for dialogue which is in accordance with the spirit of great national unity.

[Dated] 25 June 1993, Pyongyang

Commentary Denounces ROK 'Arms Buildup'

*SK3006092193 Pyongyang Korean Central
Broadcasting Network in Korean 1150 GMT 28 Jun 93*

[Commentary by station commentator Yun Pyong-son: "Intolerable Arms Buildup Maneuvers"]

[Text] The South Korean authorities are maneuvering to purchase 300 units of air-to-air missiles from the United States to increase their combat capability. The South Korean warmongers' attempt to purchase these missiles valued at \$34 million clearly shows how frenziedly they are engaged in the arms buildup maneuvers, and this is an intolerable challenge to the people's aspirations for peace and reunification.

As everyone knows, the entire nation ardently hopes for the achievement of peace on the Korean peninsula and its peaceful reunification by the way of reconciliation and unity, rather than by the use of force.

Proceeding from people's such aspiration and demands we set forth the 10-point program for great unity of the entire nation. The 10-point program for great unity of the entire nation has won active support and welcome from the people at home and abroad, and our fellow countrymen are vigorously marching toward reconciliation and unity under the banner of the program.

At such time, the South Korean authorities are attempting to massively purchase missiles to attack their fellow countrymen. This clearly reveals that they are only interested in the arms buildup maneuvers to fulfill their ambition for a northward invasion rather than in the country's peace and its reunification.

In fact, grave situations which run counter to national unity, peace, and reunification are taking place in succession in South Korea recently. The highest person in authority in South Korea raved that the puppet army should maintain its full combat readiness, babbling that he would not shake hands with us and that peace can be preserved only when there exists strength. The bosses of the military circles, as well, held a major commanders conference in succession and babbled about full readiness of the operational posture and the enhancement of combat capability.

Recently, the large-scale Ulchi-93 war exercise against us was staged in a war-like atmosphere throughout South Korea, and a tense situation was further aggravated.

The act of the South Korean rulers who have responded to our efforts to resolve the grave, difficult situation created on the Korean peninsula through great national unity by accelerating confrontation and war preparations is indeed despicable.

The South Korean authorities have clamored that the present regime is a civilian regime and different from the preceding despotic regimes. However, the confrontation commotions and the arms buildup maneuvers being staged in South Korea prove that the present regime, as well, is not different at all from the previous military fascist regimes which led the situation to the brink of war by dashing toward confrontation and war maneuvers and which, thus, aggravated North-South relations and that the present authorities are following the road of sin of their predecessors.

The South Korean authorities' attempt to purchase missiles is an extremely dangerous antinational, antipeace, and antireunification criminal act not only to pin down North-South relations to an acute confrontational situation, but also to trigger a war of northward invasion against the fellow countrymen by further aggravating the situation. Although they are talking about dialogue, peace, and reunification, the South Korean authorities are, in actuality, attempting to provoke someone through the confrontation of force. However, this is nothing but an anachronistic delusion that can never be realized.

The situation prevailing on the Korean peninsula demands that our fellow countrymen achieve reunification through reconciliation and unity, not through confrontation and aggravation.

If our nation continues confrontation and suppression by strength against each other, divided into the North and the South, we can never reunify the country and will not be able to avoid becoming the scapegoat of the big powers.

Nevertheless, the South Korean warmongers are unchangingly running away to the road of fratricidal war, disregarding the fellow countrymen's momentous proposal to achieve reunification and their proposal for dialogue. Such acts by them can never be tolerated. The peaceful reunification of the country and the maneuvers for arms buildup are incompatible.

The South Korean authorities should deliberate on the grave consequences that the arms buildup commotions will bring and should stop the war maneuvers at once, including the purchase of missiles. If they continue to go on to the road of confrontation and war, going against the trend of the era, the rascals will not be able to avoid the grave judgment of the history and people.

Students Issue Questionnaire to South Leaders

*SK2806120093 Pyongyang KCNA in English 1012
GMT 28 Jun 93*

[Text] Pyongyang, June 28 (KCNA)—The North side headquarters of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon) today issued an open questionnaire to the South Korean authorities, denouncing their suppression of students.

The questionnaire says:

1. Is it "civilian government" to regard the South Korean Federation of General Student Councils (Hanchongnyon) as heretic and try to stifle it?

"Hanchongnyon," an integrated organization of the South Korean students, is a steel-like organization for national salvation. It is the successor to the "National Council of Student Representatives" (Chondaehyop) which was inaugurated during the "Fifth Republic" when the most brutal fascist dictatorship held sway and struck its roots as a symbol of democracy during the years of the "Sixth Republic" dictatorship.

You, however, incriminated the inauguration of "Hanchongnyon" itself and are now harshly suppressing peaceful rallies, demonstrations and even campus circle activities of students. Worse still, you are openly scheming to disorganize it by force.

You must answer if this fascist, high-handed acts conform with "civilian government" advertised by you.

2. Can the "violent regime" blocking North-South student talks at the point of bayonet be called "civilian government"?

You encircled Yonsei University where "Hanchongnyon" was holding a rally for the participation in the June 12 North-South student talks at Panmunjom and a starting ceremony and preparing the dispatch of delegates and totally blocked the route from the university to Panmunjom with heavily armed riot police more than 12,000 strong. You walked away over 300 students in a day.

You must answer how such a "regime" which foiled the talks with violence can be called "civilian government."

3. Does such act as barring the students from going to Panmunjom conform with the concept of "reform" and "opening"?

It is still vivid to the memory of people how the South Korean military dictatorial forces of the "Sixth Republic" blocked the way of students to Panmunjom to foil the June 10 North-South student talks.

But you, taking a step farther, blocked not only the route to Panmunjom but also the campus gate.

You must make clear how your acts in barring students from coming to Panmunjom by the trite means of totally blocking them like in the "Fifth and Sixth Republics" can be termed "reform" and "opening"?

4. Is not an empty talk to promise the "building of a new South Korea" with the "National Security Law" [NSL] and the "Security Planning Board" [SPB] binding students and people hand and foot left intact?

Still now when you are crying for "building of a new South Korea", you are keeping the "NSL" and the "SPB", legacies of the confrontation period, as they are. they could not be dissolved and is increasing their functions.

You must honestly admit that your talk about "building of a new South Korea" is a lie to fool students and people and give a responsible answer as to whether you have the intention to abolish the "NSL" and dissolve the "SPB", or not.

5. Do you have the face to talk about reunification, while trampling down the freedom of the students to discuss the reunification question?

Where do you get the face to cry for reunification and dialogue after foiling the discussion of reunification which students arranged with so much efforts for a long period?

You must admit that you can no more deny the falsehood of the "reunification" and "dialogue" on your lips and their being a reversed version of division, and give a responsible answer to it.

6. Is it not a hypocrisy that you are harping on "North-South exchange", while fearing three student delegates having telephone dialogue with those of the North and overseas and 12 student delegates coming to Panmunjom?

When student delegates of the North, South and overseas had dialogue through telephone some time ago, you raised a hysteric row.

You must honestly admit that "North-South exchange" advertised by you is also a lie and promise that you will no longer deceive the people with such an advertisement.

7. Does your act of trampling down the students' desire for reunification mean breaking your "commitment"?

You "promised" to "allow" the debate on reunification and fully "accept" the "will of the people" concerning the reunification formula.

You must apologize for having failed to carry your "commitments" into practice like your predecessors.

8. Do you think that if you stifle "Hanchongnyon", a democratic organization of the South Korean students, as an "illegal organization", the "civilian government" will go scot-free?

Taking issue with the death of a policeman in the suppression of the rally of "Hanchongnyon" for the participation in the June 12 North-South student talks and their starting ceremony, you are threatening to destroy "Hanchongnyon" itself by exaggerating the incident.

You must give a clear answer as to whether the "civilian government" can go scot-free after stifling "Hanchongnyon."

KCNA Reports U.S. 'Aerial Espionage' Activity

*SK3006043393 Pyongyang KCNA in English 0418
GMT 30 Jun 93*

[Text] Pyongyang, June 30 (KCNA)—The U.S. imperialists committed aerial espionage against the northern half of Korea on more than 180 occasions in June, according to military sources.

Involved in it were reconnaissance planes of different types including U-2, RC-135, RF-4C and EH-60.

Especially, the U-2 high-altitude strategic reconnaissance plane spied on the North as a whole for more than 30 hours on the 26th and 27th.

Lawyers Delegation Departs for China

*SK2906124993 Pyongyang KCNA in English 1045
GMT 29 Jun 93*

[Text] Pyongyang, June 29 (KCNA)—A delegation of the Korean Democratic Lawyers' Association led by vice-chairman of the association Hyon Hong-sam left here today for a visit to China.

It was seen off at the airport by Yi Song-ho, vice-chairman of the Korean Democratic Lawyers' Association, and Ka, councillor of the Chinese embassy.

Friendship Delegation Returns From Japan

*SK2906140293 Pyongyang Korean Central
Broadcasting Network in Korean 1500 GMT 27 Jun 93*

[Text] The DPRK-Japan Friendship Association delegation led by O Mun-hwan, vice chairman of the DPRK-Japan Friendship Association and vice chairman of the Committee for Cultural Relations with Foreign Countries, returned home by train [as heard] on 27 June, winding up their visit to Japan.

Yi Chol-sin, vice chairman of the Committee for Cultural Relations with Foreign Countries, met the delegation at Pyongyang station.

Malaysian Special Envoy Departs From Pyongyang

*SK2906124393 Pyongyang KCNA in English 1044
GMT 29 Jun 93*

[Text] Pyongyang, June 29 (KCNA)—Ghazali bin Shafie, special diplomatic advisor to the government and special envoy of the Malaysian prime minister, and his entourage left here for home today after his four-day visit to Korea.

During their stay here, the guests visited the Three-Revolution Exhibition, the West Sea barrage and other places.

The guests were seen off at the airport by Vice Premier and Foreign Minister Kim Yong-nam and others.

Cuba, Angola Mark Korean Solidarity Month

*SK2906122893 Pyongyang KCNA in English 1032
GMT 29 Jun 93*

[Text] Pyongyang, June 29 (KCNA)—Various functions took place recently in Cuba, Angola, Portugal, Pakistan and Zambia on the occasion of the June 25-July 27 month of international solidarity with the Korean people.

Omar Cruz, vice-chairman of the Cuban Committee for Supporting Korea's Reunification, made a speech at an opening ceremony of the solidarity month cosponsored by the committee and the Cuban Institute of Friendship With the Korean People held in Havana on June 24.

He said the Korean people and People's Army, closely rallied behind the party and the leader, staunchly fought in the three-year fatherland liberation war and won a brilliant victory and, the government of the Republic put forward many proposals and initiatives for peace and reunification of the country and has made sincere efforts all along to carry them into practice since the ceasefire.

This year marking the 40th anniversary of the victory in the fatherland liberation war and the 40th anniversary of the attack on the moncada barracks, events of weighty significance in the revolutionary history of Korea and Cuba, he said, the Cuban Committee for Supporting Korea's Reunification extends unconditional support to the Korean people in their struggle for the reunification of the country and will make continued efforts to contribute to the accomplishment of this cause.

Speeches were made at the opening ceremony of a Korean film week in Angola on June 15.

After seeing Korean films "60th Anniversary of the Founding of the Heroic Korean People's Army" and "Concrete Wall, A Symbol of National Division", the commander of the Luanda provincial police headquarters said the Korean People's Army has now grown in strength to be invincible revolutionary Armed Forces under the wise guidance of Supreme Commander Comrade Kim Chong-il. No enemy can dare provoke the Korean people, he remarked.

An opening ceremony of a Korean book, photo and handicraft exhibition took place in Portugal and Korean film shows and photo exhibitions in Pakistan and Zambia.

Daily Urges 'Youth Vanguard' To Safeguard Party

*SK2906095593 Pyongyang Korean Central
Broadcasting Network in Korean 0007 GMT 28 Jun 93*

[NODONG SINMUN 28 June editorial: "Let Youth Become Youth Vanguard's Resolutely Safeguarding the Party"]

[Text] On the occasion of the 40th anniversary of the victory of the Fatherland Liberation War, our youth are currently embracing with burning hearts the slogan, "Youth Should Vigorously Adhere to the Baton of the Chuche Revolutionary Cause and Become Youth Vanguard's Resolutely Safeguarding the Party in the Forefront," presented by the party Central Committee. They are vigorously struggling to resolutely safeguard and adhere to our party's cause and the cause of socialism of our own style by becoming the party's honor guard unit and do-or-die unit.

Conforming with the upsurging revolutionary enthusiasm and high loyalty of our youth today, party organizations at all levels should further strengthen work with

the youth so that they may all be more firmly prepared to become reliable youth resolutely safeguarding our party in the forefront.

The dear leader Comrade Kim Chong-il pointed out: Youth should become true youth vanguards of our party who wholly entrust their fate to the party, live even only a minute for the party, and sacrifice their lives for the party.

A lofty mission of our youth is to become youth vanguards who resolutely safeguard the party in the forefront. Our youth are a highly proud new generation living and carrying out the revolution in the most glorious era led by the great leader and the great party. Our party is a great leader [hyangdoja] that provides true life and happiness to our youth and leads them to victory and glory.

The fate of our party is the fate of our youth. No other important, or life and death matter than to resolutely safeguard the party and the leader—the pioneer and protector of their fate face our youth. Resolutely safeguarding the party in the forefront means smashing [chitbusuda] all kinds of maneuvers by the imperialists. It also becomes a sacred and glorious struggle to resolutely safeguard, adhere to, and elucidate socialism of our own style centered on the popular masses.

Our socialism is the ground for our youth's worthwhile life and is the chuche fatherland where the youth's ideal and happiness bloom bright. Currently, the enemies of the revolution are viciously maneuvering to stifle [apsal] our socialism in every way. To smash [chitbusuda] the enemies' challenges and maneuvers and safeguard and adhere to socialism of our own style, the party—the leader [hyangdoja] and fate of the socialist cause—should be resolutely safeguarded first.

We cannot by any means think about victorious advance and completion of the chuche socialist cause apart from our party. Our youth are the party's honor guard unit and do-or-die unit and the most vigorous unit of society. When all the youth resolutely safeguard the party in the forefront, our party and its cause are firmly adhered to and socialism of our own style will press endlessly hard on the heels of the enemy.

Resolutely safeguarding the party and the leader in the forefront is a proud traditional trait of our youth. In the past when our revolution was in a very difficult and complicated situation, our youth vigorously advanced along the one road of victory as taught by the party and the leader, and the party's cause was firmly adhered to. This is attributed to our youth, endlessly loyal to the party and the leader, who resolutely safeguarded the party in the forefront.

The future of the cause of socialism of our own style which was obtained through blood and blossomed through creative work by the first and second generations of our revolution is dependent upon our youth. All the youth should deeply be aware of the heavy task and

duty they face before the era and revolution, and become youth vanguards who resolutely and eternally safeguard the party in the forefront.

Most of all, youth should never forget the promise made before the party and the leader at the eighth meeting of the League of Socialist Working Youth of Korea [LSWYK] and defend it to the end. At the eighth LSWYK meeting, our youth representatives solemnly promised to the dear leader Comrade Kim Chong-il, filled with the unerring faith and will of five million youth vanguards, that like the first and second generations of the revolution, they will become five million guns and bombs resolutely safeguarding the party and the leader in whatever difficulties.

Even though their future road is laden with harsh trials and difficulties, all youth should never change the promise made at the eighth LSWYK meeting and should become the honor guard unit and do-or-die unit who resolutely safeguard the dear comrade leader politically, ideologically, and with their lives.

Party organizations at all levels should always delve deeply into the youth to strengthen their ideological indoctrination so that they can deeply bear in mind the great pride and dignity of being Korean youths upholding the great leader and the great leader [yongdoja]. Also, youth should be led to unhesitatingly sacrifice their youth days and life in the forefront of the struggle to safeguard the party.

Party organizations must lead our youth to think and act according to the party's idea and breath at any place and at any time. Also, they must lead them to take the lead in excellently adhering to and glorifying achievements made by our party.

To become young vanguards who can resolutely safeguard the party, our youth must inherit and glorify, generation after generation, the proud tradition of the movement conducted by the Korean youth who have protected their leader [suryong] and their leader [yongdoja] at the risk of their lives and who have upheld them with loyalty.

The proud tradition of the Korean youth movement is to firmly and resolutely trust, follow, and safeguard their leader [yongdoja] at any place and at any time. To have such a tradition of loyalty is a great pride of our youth. Also, the genuine road on which youth can brilliantly live and struggle in the future as young vanguards who uphold the party's cause lies in inheriting and developing this tradition, generation after generation.

Party organizations at each level should properly tell our youth about the noble tradition of the movement of the Korean youth who have resolutely safeguarded and adhered to the party and the leader. Also, they should lead them to constantly glorify this tradition.

Just like the young communists who safeguarded and protected the great leader at the risk of their lives,

shouting "Long Live the Great Hanbyol" and just like the hero fighters in the 1950s who sacrificed their youth and lives for the respected and beloved comrade supreme commander, shouting "Long Live General Kim Il-song," party organizations must enable youth to sacrifice themselves for the party and the leader.

In particular, party organizations must resolutely safeguard our party in any circumstances by upholding the slogan of faith entitled "Let Us Become Rifles and Bombs To Safeguard General Kim Chong-il. This slogan was shouted at the 8th congress of the LSWYK. Also, they must practically lead young people to learn and follow the living example of loyalty and dutifulness in conformity with the prevailing situation and the demands of developing realities. As a result, they should enable young people to be a fortress and a shield that resolutely safeguard the party and the leader and to become guard troops for the 1990s.

To become young vanguards who can resolutely safeguard the party, youth should excellently play a role as agitators and shock forces in implementing the party's policies. The struggle to thoroughly implement the party's policies is to safeguard and adhere to the party.

Today our youth are faced with the honorable tasks of performing miracles in their assigned guard posts and of effecting a great upsurge in the socialist construction, while upholding the party Central Committee's slogan issued on the occasion of the 40th anniversary of victory in the fatherland liberation war. If party members are a kindling [pulssi] of the revolution, then the LSWYK members are its flames.

All youth must fully display their energy and wisdom to implement the party's policies with the spirit of absoluteness and unconditionality. Also, they must make a breakthrough in the socialist construction by undertaking any difficult and hard works.

The working youth must unconditionally and thoroughly carry out the tasks assigned to them every day and every month. Youth in rural communities must properly carry out the agricultural work befitting masters in order to obtain a good harvest this year, the year which marks the 40th anniversary of victory in the fatherland liberation war.

By so doing, all people must become the heroes of creation and construction to glorify the era of the Workers Party of Korea with spirit of unparallel devotion and the mass-oriented heroism.

To lead youth to glorify their honor as young vanguards who take the lead in resolutely safeguarding the party, party organizations must pay deep attention to the youth work and strengthen the party-oriented guidance to the LSWYK work.

Party organizations and functionaries at each level must be aware of the fact that the youth work is very important because our party is related to the destiny and future

of the socialism of our own style. They must continue to concentrate efforts on the work with youth.

Party organizations must positively carry out the ideological and educational work in conformity with the characteristic of the people. As a result, they must lead youth to be fully aware of their noble mission and duty in front of the party and the revolution and to become young vanguards who always take the lead in safeguarding the party.

Along with this, party organizations must strengthen the policy-oriented guidance to the LSWYK work to further enhance the function and role of the LSWYK organizations. By so doing, they must lead all youth to strengthen their loyalty to the party through a league organizational life and to endlessly glorify their honor as young vanguards.

Envoy Presents Credentials to Mexican President

*SK2906140693 Pyongyang Korean Central
Broadcasting Network in Korean 1300 GMT 28 Jun 93*

[Text] Kim Sung-yong, our country's new ambassador extraordinary and plenipotentiary to Mexico, presented his credentials to Mexican President Carlos Salinas de Gortari on 25 June.

At a meeting, the ambassador conveyed greetings to President Carlos Salinas de Gortari from the great leader Comrade Kim Il-song and the leader Comrade Kim Chong-il. Expressing deep gratitude for this, the president asked the ambassador to convey his warm greetings to the great leader Comrade Kim Il-song and the leader Comrade Kim Chong-il.

Talks were held in a friendly atmosphere at the meeting.

Daily Urges Greater Electric Power Production

*SK3006101493 Pyongyang Korean Central
Broadcasting Network in Korean 0007 GMT 30 Jun 93*

[NODONG SINMUN 30 jun editorial: "Let Us Effect a Great Upsurge in Electric Power Production"]

[Text] Power industry plays a key role in effecting a new upsurge in the socialist economic construction under the party Central Committee's slogan issued on the occasion of the 40th anniversary of victory in the fatherland liberation war.

All party members and working people in power industry must effect a great upsurge in power production by upholding the party's intent. ■

The great leader Comrade Kim Il-song has taught: "The power industrial sector must check and repair the existing power facilities in a timely manner to operate them at full capacity. As a result, it must increase power production to the maximum with the elevation of their efficiency. Also, it must positively struggle to further increase the power capacity.

Power means production. The upsurge in production depends on power production. We must produce more electricity, which is a major source of power [tongnyok], to stabilize production at a higher level in all sectors of the national economy and to vigorously hasten development in the overall national economy.

A great many plants and enterprises have been built in our country with the construction of the major facilities [taesang]. Those plants and enterprises have been also modernized. Therefore, they require more electricity than ever before.

We must increase power production according to the chuche orientation, modernization, and scientification of the national economy, then we can enhance the people's standard of living in a short period based on our country's economic potentiality. Also, we can effect a new upsurge in the overall economic construction.

All party members and working people in power industry must continue to try to effect upsurge in power production, being fully aware of the fact that the issues of achieving a brilliant success in the socialist construction this year, a significant year that marks the 40th anniversary of victory in the fatherland liberation war, and of safeguarding, adhering to, and glorifying the popular mass-centered socialism of our own style, mainly and greatly depend on their role.

To raise the existing power capacity to the maximum is a very important work on which all efforts should be concentrated for the great upsurge in power production.

Our party's policy of the proper combination of hydroelectric power plants and thermal power plants and of simultaneously carrying on the construction of large-scale power plants and small- and medium-sized power plants has been thoroughly implemented. As a result, a great number of power plants, small or big, have been built today everywhere in our country. Also, their power capacities are tremendous.

We can satisfactorily meet the electric demands of the national economy when we properly use these power plants and the equipment of transmission and supply of electricity.

The power industrial sector and its relevant sectors and units must concentrate their preferential effort on operating the existing power plants at full capacity and properly organize a supply work as well as an organizational work.

To regularly repair the power equipment in a timely manner is a precondition to operate power plants at full capacity. All power plants therefore must formulate the detailed plans for the repair and maintenance of the power equipment and establish regulations to strictly execute them. Regarding this, power plants must be ready to plan the exact organizational work in order to properly repair the power equipment in a short period.

Functionaries at power plants must properly help the power equipment operators save, love, and take good care of the machines they are using now just as they love their eyeballs.

All power equipment operators must thoroughly abide by the technological regulation and the standard regulation of operation in the performance, operation, repair, and maintenance of the power equipment. Also, they must positively conduct a struggle to improve the power equipment based on modern technology.

Thermal power plants are a reliable base for power production based on the considerable amount of natural resources in our country. Therefore, we must provide enough coal to thermal power plants, including Pukchang Thermal Power Complex and Pyongyang Thermal Power Complex, in order to produce more electricity.

The relevant complexes and coal mines in the coal industry must produce more coal by thoroughly implementing the party's slogan "Let us concentrate all efforts on coal production."

In order to produce more coal, coal mines should give precedence to the removal of soil and rock and to tunneling and actively promote the comprehensive mechanization of mine work.

The railway transportation sector should give top priority to transporting coal for thermal power plants. It should also timely freight the coal laboriously dug by coal miners to the thermal power plants.

To more vigorously accelerate the ongoing construction of power plants and advance their operation schedules is an important demand to increase power generation. Power plant builders are constructing many hydroelectric and thermal power plants including the Namgang Power Plant, the Yongwon Power Plant, and the 12 December Power Plant. They are actively accelerating the construction of small- and medium-sized power plants as well.

If they actively accelerate the ongoing construction of these power plants and advance their operation schedules, they can bring about a great turn in power generation. Builders and Korean People's Army soldiers who are mobilized to construct power plants should be highly aware that they are the builders who are in charge of the construction of important plants of great significance to socialist construction. Based on this awareness, they should highly display creative positiveness and mass heroism and accelerate the construction of power plants to the maximum.

They should give precedence to producing power plant facilities in order to actively accelerate the construction of power plants. Plants and enterprises in the machine industry sector, including the Taean Heavy Machine Complex, should effect innovation in producing power

plant facilities including large power generators, large transformers, and large boilers, timed with construction schedules of power plants.

Those in the metal industry sector should timely produce iron and steel by items, sizes, and qualities which are necessary for production of power generation facilities and send it to plants that produce power generation facilities. Power plant construction requires a large quantity of cement, gravel, and sand. Relevant sectors and units including the construction material industry sector should give priority to producing and guaranteeing cement and material for the construction sites of power plants.

To effectively use and economize electricity to the maximum is one of the important ways to smoothly guarantee the increasing demand of electricity. All sectors and units of the national economy should firmly grip the party's policy to reasonably use and economize electricity and continue to vigorously stage the struggle to implement the policy. They should successfully organize alternative production and conduct work to lower electricity consumption per product unit, in particular.

Party organizations at all levels in all the electric power and relevant industry sectors and units should explain and propagate in-depth the party Central Committee's slogans to party members and working people. Party organizations, thus, should have party members and working people carry out feats in producing and economizing electric power and constructing power plants with a high awareness and sense of responsibility.

Engineer: Shoe Production Increases in 1st Half

*SK2806151693 Pyongyang KCNA in English 1503
GMT 28 Jun 93*

[Text] Pyongyang, June 28 (KCNA)—The output of shoes is increasing in the DPRK.

According to Cho Chol-kyu, chief engineer of the General Bureau of Shoe Industry, in the first half of this year 4,566,200 more pairs of shoes were produced than in the corresponding period of last year.

The Sinuiju shoemaking factory turned out 2.76 million more pairs in this period through a dynamic increased production drive launched at the beginning of the year to greet the 40th anniversary of the victory in the Fatherland Liberation War with significant achievements in production.

The Sunchon and Haeju shoemaking factories boosted output respectively by 550,000 and 200,000 pairs by tapping and utilizing latent reserves and actively introducing advanced methods.

The Pyongyang shoemaking factory hit its first six months' target of the year 20 days ahead of schedule.

KCNA Reviews 30 Jun Pyongyang Press

*SK3006050693 Pyongyang KCNA in English 0446
GMT 30 Jun 93*

[Press review]

[Text] Pyongyang, June 30 (KCNA)—Papers here today carry messages of greetings sent by President Kim Il-song of the Democratic People's Republic of Korea to 'Umar Hasan Ahmed al-Bashir, president of the Command Council of the National Salvation Revolution of the Republic of the Sudan, and Mobutu Sese Seko Kuku Ngbendu Wa Za Banga, president of the Republic of Zaire, on the occasion of the revolutionary day in the Sudan and the independence day of Zaire.

Papers observe the lapse of 63 years since the great leader President Kim Il-song clarified the principles of the *chuche* idea and indicated the *chuche*-based line of the Korean revolution at the historical Kalun meeting on June 30, 1930.

NODONG SINMUN rounds up words of South Korean people upon hearing the news of the election of President Kim Il-song as generalissimo and of the "10-point programme of the great unity of the whole nation for the reunification of the country" which was put forward by him.

Vishwanath, secretary general of the "International Kim Il-song Prize" Council, highly praised President Kim Il-song as the great leader of the era of independence, reports the daily.

It dedicates an article to the 10th anniversary of the publication of "On the Korean People's Struggle To Apply the *Chuche* Idea", a classical work of President Kim Il-song.

Classical works of the dear leader Comrade Kim Chong-il were reported in different countries, says the press.

Econews of the press includes reports about the fulfillment of the first half year assignments in different fields of the national economy on the occasion of the upcoming 40th anniversary of the victory in the war.

It is reported in the press that the Afghan president received the charge d'affaires ad interim of the DPRK Embassy in his country and the newly-appointed DPRK ambassador E.P. [extraordinary and plenipotentiary] to Mexico presented his credentials to the Mexican president.

An article of NODONG SINMUN says the present "regime" of South Korea which had advertised "civilian" government is rushing along the road of fascism as days go by.

News of South Korean people's struggle against the authorities' development of nuclear weapons and for the democratisation of campus and the reinstatement of dismissed teachers is edited in the daily.

It is reported in the press that functions took place in different countries on the month of international solidarity with the Korean people and various organisations of Japan supported the 10-point programme of the great unity of the whole nation for the reunification of Korea.

Papers inform the readers that the 29th OAU summit opened in Cairo, the fourth Congress of the Communist Party of the Peoples of Spain was held and developing countries denounced the western human rights ballad at the World Conference of Human Rights.

Papers observe the 20th anniversary of the establishment of diplomatic ties between Korea and Malaysia and the 4th revolutionary day of the Sudan.

In a monthly review of the international situation NODONG SINMUN says the world people are more dynamically pushing ahead with the trend of the times toward independence.

South Korea

Russian Journal: Kim Chong-il 'Reprimanded'

SK3006080893 Seoul HANGUK ILBO in Korean
30 Jun 93 p 3

[YONHAP from Moscow]

[Text] The recent edition of "ASIA BULLETIN [asia hoebo]," a publication of Russia's ITAR-TASS, reports that North Korean President Kim Il-song has strongly reprimanded Secretary Kim Chong-il, his son and heir apparent, for his recent series of mistakes in state affairs.

Meanwhile, the daily "24," [as published] also published by ITAR-TASS, reported on 29 June that President Kim Il-song reprimanded Kim Chong-il for his handling of important matters, including the decision to withdraw North Korea from the Nuclear Nonproliferation Treaty, and that the status of Secretary Kim Chong-il has weakened a little as a result.

On 22 June, ASIA BULLETIN carried a report entitled "Kim Chong-il's Health" which was wirefiled from Pyongyang. This bulletin is distributed to government agencies and research institutes because it deals primarily with sensitive domestic issues. It also reported that because of a nervous breakdown [singyong kwamin-chung] following this reprimand, Kim Chong-il has not carried out his duties for two months.

Quoting North Korea watchers, this bulletin reported that a clandestine struggle between Kim Chong-il's supporters and Kim Il-song's "elderly red vanguards" is going on in North Korea leadership and that if Kim Chong-il takes power, Kim Il-song's supporters will be expelled.

The following is an excerpt from ASIA BULLETIN's report:

Kim Chong-il, Kim Il-song's son and heir apparent, seems to have been strongly reprimanded by his father. It is not known whether he was reprimanded in the presence of members of [North Korea's] Workers Party Central Committee Political Bureau or during a meeting with his father. Nevertheless, he is now suffering from a nervous breakdown and has not carried out his duties for the past two months.

Western neuropathologists [sinkyongpyongnhakchadul] were reportedly invited to North Korea in late April and early May. Key figures of North Korea have said: "For several weeks, Kim Chong-il worked all night long in his office. At present, he is resting and undergoing treatment."

The media has rarely mentioned Kim Chong-il's name recently. This may convincingly prove recent rumors that Kim Il-song is harboring a complaint against his son.

On 12 May, [North Korean] newspapers all carried a two-page appeal on the "40th anniversary of the victory of Korean war" in the name of the party Central Committee. Kim Chong-il's name was not mentioned in the appeal at all.

Many foreign North Korean observers believe that Kim Chong-il, who is 51 years old this year, has made a series of mistakes marring his official title "dear leader" with his control over too many domains, such as the party, personnel matters, the army, economy, and social life.

It has long been customary in North Korea for Kim Il-song to summon key high-ranking cadres to his office to severely rebuke them. All high-ranking cadres have been reprimanded by Kim Il-song.

Cadres who are reprimanded by Kim Il-song are relegated to localities and return to central agencies after a certain period of time elapses. Such party cadres are obliged to unconditionally and blindly comply with this policy of superior authorities.

Kim Chong-il's case, however, completely differs from this practice. For example, it is not certain whether Kim Il-song is trying to treat his own successor "objectively" or whether he, at 81 years of age this year, is trying to distance himself from the responsibility of handling affairs of state and people's economic distress by passing it on to others.

What kind of mistake Kim Chong-il made is veiled in mystery.

North Korean observers say that a covert struggle between Kim Chong-il's supporters and Kim Il-song's "aged honor guards" is taking place. These observers believe that when Kim Chong-il takes power, Kim Il-song's supporters will be ousted.

References to Kil Chong-il 'Declined'

SK3006021193 Seoul YONHAP in English 0145 GMT
30 Jun 93

[Text] Moscow, June 29 (YONHAP)—North Korean President Kim Il-song has reprimanded his son and heir Kim Chong-il for his wrong handling of the country's decision to withdraw from the Nuclear Nonproliferation Treaty [NPT] and other important issues, the Russian daily "24" reported Tuesday. As a result, Kim Chong-il's standing has weakened a little, said the daily 24, which is published by the ITAR-TASS news agency.

The newspaper said it appears that the elder Kim has reprimanded his son for failing to obtain "minimum" concessions from the West in connection with their NPT withdrawal decision and inviting circumstances in which Pyongyang has no choice but to accept international inspections of its nuclear facilities. Kim Il-song would have also been upset by the test firing of the Nodong-1 missile in May, which caused deterioration of public opinion in Japan, the daily said.

In the wake of a series of missteps taken by the heir, North Korean media references to Kim Chong-il's name have declined in frequency, the newspaper said. There were even some rumors that several psychiatrists have arrived in Pyongyang to treat the junior Kim for stress, the daily 24 added.

Editorials Link Attack on Iraq, DPRK Behavior

SK2906121293

[Editorial Report] Local vernacular dailies on 28 and 29 June carry editorials commenting on the 27 June U.S. missile attack on the headquarters of the Iraqi intelligence service in Baghdad.

Seoul TONG-A ILBO, an independent daily, on 28 June carries an 800 word editorial on page 3 with the headline "The Worrisome Middle East Situation." The editorial opens with the following statement: "People are shocked and worried about the tensions in the Middle East created by the abrupt U.S. missile attack on Iraq at dawn on 27 June." Noting that the U.S. attack was not anticipated and that the attack was made without prior warning, the editorial expresses concern that the situation could develop into another Gulf war. The editorial then adds, "The Iraqi assassination attempt was a foolish act that should be severely criticized if the U.S. government investigation is true." The editorial notes the U.S. justification for the attack and says, "Despite that, there is room for doubt whether a surprise armed attack was the only alternative to prevent international terrorism." The editorial concludes by calling upon both the United States and Iraq to exercise their utmost restraint to prevent another international dispute in the Middle East.

Seoul HANGUK ILBO, an independent daily, on 28 June carries an 800 word editorial on page 3 with the headline "What Was Aimed at in the Attack on Iraq?"

The editorial says "The Clinton administration had to make clear its resolute will as a superpower externally to prevent the danger of a power vacuum that could be created after the end of the cold war and Hussein's terrorist plot became the target of the operation." The editorial concludes by saying, "We are curious to know what impact this will have on the acute tensions on the Korean peninsula, particularly the North Korean nuclear issue."

Seoul KYONGHYANG SINMUN, an independent daily on 29 June carries an 800 word editorial on page 3 with the headline "The U.S. Exercise of Force on Iraq." The editorial begins by noting "The U.S. missile attack on the Iraqi intelligence agency headquarters carries a strong message that the United States will not tolerate challenge to it. It also demonstrates the resolute U.S. will as a superpower to thoroughly punish international terrorism." The editorial mentions international controversy over whether the U.S. military action without warning was an appropriate step. The editorial concludes by saying "We should note the message contained in the U.S. military action. We hope that the resolute U.S. will not to tolerate international terrorism will serve as a warning to North Korea, which is classified as a terrorist state, to positively contribute to the situation on the Korean peninsula and to the second stage talks between North Korea and the United States for resolving the nuclear issue."

Seoul HANGYORE SINMUN, a left-leaning daily, on 29 June carries a 900-word editorial on page 2 with the headline "The U.S. Attack on Iraq." The editorial says "We can hardly understand why the U.S. should have waged an armed attack on Iraq with a mere reason that it came upon evidence that the Iraqi intelligence agency directed the assassination plot against Bush." The editorial then goes on to say, "If Clinton attacked Iraq to bring a breakthrough to the domestic political situation and to give an image of a strong America externally, the Clinton administration is no different from the previous U.S. administration." The editorial concludes by saying "If the U.S. attack on Iraq was meant to send a message that the United States will pursue a tougher foreign policy, it is unpredictable when the U.S. attitude toward North Korea will change. We need to closely watch the U.S. attitude in the ROK-U.S. summit talks scheduled for 10 July and in the second-stage North Korea-U.S. talks scheduled for the middle of July."

Clinton Sought To 'Contain' Iraq

SK2906035693 Seoul THE KOREA HERALD in
English 29 Jun 93 p 6

[Editorial: "U.S. Strike Against Iraq"]

[Text] The United States launched a surprise attack on Iraq early Sunday morning in retaliation for Iraqi involvement in a plot to assassinate former President George Bush. The military action came as a show of strength and determination that the United States will

continue to assert its power for the preservation of the precarious new world order that was supposed to follow the end of the Cold War and the resurgence of American prestige during the Gulf war.

The 23 Tomahawk cruise missiles fired from U.S. warships in the Red Sea and the Gulf were aimed at the Iraqi intelligence headquarters in Baghdad and destroyed one wing of the complex. It also caused some civilian casualties in the same neighborhood. The ruling Revolution Command Council accused Washington of aggression and some Muslim countries condemned the attack. But European nations including Russia supported the action.

The attack was intended to avenge a plot to kill Bush in April during his visit to Kuwait to mark the 1991 Gulf war victory over Iraq. Kuwait said it uncovered the plot in advance. The message the United States wanted to deliver was clear and strong. President Bill Clinton said the strike was meant to deter further violence against the United States. He referred to the clarity of the message on which American security has depended since the days of the American Revolution: "Don't tread on us." The U.N. Security Council was called into session to discuss the aftermath of the attack.

We share the belief that all kinds of terrorism, state-sponsored terrorism in particular, must be met with unambiguous and corresponding response and be deterred under the pain of a high penalty. Our bitter experience of having hostile North Korea make two attempts on the lives of two heads of state right here in Seoul and in Rangoon deepen our understanding of the provocation of such terrorist offense.

The latest attack was undoubtedly prompted by a deep-rooted distrust of Saddam Hussein on the part of Washington and its allies going beyond the assassination plot. Iraq has been reluctant to comply with the Gulf war cease-fire terms, remaining a thorn in the side of the West. Clinton obviously sought to contain the lingering Iraqi power and influence which might unsettle the Middle Eastern situation. A powerful stand on one of the most volatile flash points of the world could also reinforce the shaky position of President Clinton with respect to his inept foreign policy toward Yugoslavia and Somalia and his mediocre performance on the recovery of the U.S. economy. The missile raid on Iraq should be over with, achieving its limited objective without disrupting the current lull in the delicate Gulf region.

U.S. To Stick to Nuclear Issues in DPRK Talks

SK3006033393 Seoul YONHAP in English 0307 GMT 30 Jun 93

[Text] Washington, June 29 (YONHAP)—Seoul and Washington have agreed on the need for the United States to stick to the nuclear issue in its second-phase talks with North Korea even if the communist country tries to raise political negotiations, South Korean Defense Minister Kwon Yong-hae said Tuesday [29 June].

South Korea and the United States shared the view that North Korea was determined on its nuclear development and that the fact was a grave matter, Kwon told reporters after meeting with his U.S. counterpart Les Aspin and other high-ranking defense officials.

North Korea had bluntly manifested various war preparations since the second half of last year by giving priority to supplying war materials despite its economic difficulties and testing long-distance missiles, Kwon said.

Such moves are believed to be aimed at future contacts between the United States and North Korea following the second-phase Washington-Pyongyang dialogue, he said.

Touching on the so-called "win-hold-win" concept of the U.S. global strategy, Kwon said he had expressed to the U.S. officials the concern of his government that Washington's discussion of a strategic change in its commitment to regional wars could be seen as a wrong signal at this critical stage.

U.S. officials said the U.S. Administration was confident about pulling off two wars at the same time and added that the issue would be specified during upcoming President Bill Clinton's visit to Seoul, Kwon said.

As to Korea's weapons purchase plan, the minister said Seoul was putting more emphasis on technology transfer and effects on private industry than on the efficiency of the weapons or security cooperation as the Cold War was over. Washington acknowledged the need for it to take a forward-looking manner in the issue, he added.

The two countries agreed to suspend the second-stage withdrawal of U.S. Army Forces in South Korea unless the security situation drastically changed in the peninsula. Kwon, who arrived in Washington on Sunday, is scheduled to meet a host of top U.S. defense specialists in the government and congress during his week-long stay.

Seoul To Set 'Deadline' for Nuclear Resolution

SK3006074593 Seoul YONHAP in English 0724 GMT 30 Jun 93

[Embargoed by YONHAP until 0930 GMT 30 Jun]

[Text] Seoul, June 30 (YONHAP)—Efforts for diplomatic solution to North Korea's nuclear problem will expire when South Korea loses check on Pyongyang's nuclear development activities, Foreign Minister Han Sung-chu said Wednesday. "...There is a limit to persuasion efforts. In other words, a reasonable deadline will be set," Han said in a keynote speech before the Kwanhun Club, a fraternity of senior journalists.

"We cannot reveal what the deadline is at the moment, but it will be determined by our information and judgment on North Korea's nuclear development," said Han. The international community, led by the United States,

succeeded in tying North Korea to the Nuclear Nonproliferation Treaty (NPT) after the communist country's threat to leave the treaty effective June 12.

North Korea, just hours before June 12, said it is "temporarily suspending" its withdrawal from NPT. Assessment of just how advanced North Korea's nuclear capabilities are comes primarily from past inspections by the International Atomic Energy Agency (IAEA), and officials here are concerned that the agency will lose check on North Korea's activities if not given continued access soon.

Pyongyang and Washington begin another round of negotiations July 14 in Geneva where the United States' chief aim is getting North Korea to allow international inspection on two key nuclear sites. "North Korea's suspension of withdrawal, in effect, is the same as it staying in the treaty," Han said, reacting to criticism that the United States compromised by settling with just temporary suspension instead of full reinstatement.

"The important point is that there is no more plutonium being produced at the experimental and 5mw nuclear reactors. Suspension of withdrawal means North Korea will continue to receive IAEA inspections, means it will prove through these inspections that there is no more plutonium production," he said. "This carries an important message, that there is a freeze to nuclear materials," said the foreign minister.

Solving North Korea's nuclear problem requires much time and process, but it should be dealt with great prudence because a successful solution is directly linked to thawing of the cold war between Seoul and Pyongyang. "We must remain aware of the influence on inter-Korean relations when dealing with the nuclear problem, never forget the vision that it has to do with thawing of the cold war," Han emphasized.

North Korea-U.S. high-level talks were arranged much through South Korea's initiative, the second best choice to direct inter-Korean talks, he said. He is convinced North Korea will return to inter-Korean negotiation table, he said, offering an optimistic view after Pyongyang broke off the talks last week.

Inter-Korean Dialogue Heading for 'Complete Halt'
SK2906032293 Seoul THE KOREA HERALD in English 29 Jun 93 p 6

[Editorial: "Inter-Korean Dialogue on Hold"]

[Text] The on-and-off dialogue between Seoul and Pyongyang appears to be heading for a complete halt as North Korea turned down an offer for a preliminary meeting of working-level officials by withdrawing an earlier proposal for a parley of special presidential envoys.

Similar rejections and boycotts have not been infrequent as favorite and shifting tactics for delay, confusion and

bargaining. But this time the environment is quite different, with the international community agitated over the clandestine nuclear program of North Korea and its hard-pressed Communist regime apparently reeling in desperation before an imminent economic collapse and succession struggle.

The downturn in the inter-Korean relations resulted from Pyongyang's threat to pull out of the Nuclear Nonproliferation Treaty early this year, holding the concerned world in suspense. The threat was reversed at the last moment but North Korea has yet to open its suspect facilities to verification by the International Atomic Energy Agency, taunting and disturbing the uneasy international community.

While earning time by mounting a diplomatic campaign of talks with the United States, Pyongyang keeps balking at negotiations with Seoul on the crucial nuclear issue. Only recently, it repeated its adherence to the inter-Korean accord for the denuclearization of the Korean peninsula. Then, it did not follow up to make it a reality. Talks with Washington may be good for the time being. However, its outcome, which is most uncertain, would be futile unless it is paralleled and reinforced by successful inter-Korean negotiations. It is nonsensical for Pyongyang to take interest in talks with Washington alone to the exclusion of South Korea despite its profession of the doctrine of self-determination, free from foreign powers.

Seoul's turn to get tough with the North is inevitable because of the negative response of the latter to repeated calls for affirmative and realistic stance in favor of complying with the U.N. regime to prevent the spread of nuclear arms and of working with the South to take meaningful and practical steps toward reconciliation and cooperation. All parties to the nuclear dispute are engaged in a race against time now. Only a swift change of North Korea's heart can make a breakthrough.

Seoul, DPRK To Form Joint Venture Water Plant
SK2906041193 Seoul THE KOREA HERALD in English 29 Jun 93 p 8

[Text] Korea Plastic Industry Cooperative of South Korea (KPIC) is actively pushing ahead with the establishment of a giant natural water plant in Mt. Kumgang in North Korea in a joint venture with the Korea Chongbong International Development Co. of North Korea. For this project, a 10-member Korean business delegation, headed by Yi Kuk-no, chairman of the KPIC, will visit a representative office of Chongbong in Beijing, China, July 7 to discuss details of the joint-venture plan, a KPIC spokesman said yesterday.

If a contract is concluded, the KPIC and Chongbong will invest \$12 million for the setup of the 50:50 joint-venture factory, which will develop and process natural water and will manufacture plastic bottles, the

spokesman said. Meanwhile, 10 domestic plastic companies will jointly invest \$6 million to help the KPIC secure its 50 percent equity of the joint venture.

The KPIC hopes that it will supply all production facilities, whereas the land and building factory will be provided by Chongbong. It also plans to export natural water to be produced in the North to a third country, including those in Europe.

Japanese Foreign Minister Muto Arrives in Seoul

OW2906065793 Tokyo KYODO in English 0503 GMT 29 Jun 93

[Text] Seoul, June 29 KYODO—Japanese Foreign Minister Kabun Muto arrived in Seoul on Tuesday [29 June] for a regular consultation with South Korean Foreign Minister Han Sung-chu later in the day. Muto will meet President Kim Yong-sam on Wednesday before returning to Tokyo on Wednesday evening.

Discusses DPRK With Counterpart

OW2906144993 Tokyo KYODO in English 1418 GMT 29 Jun 93

[Text] Seoul, June 29 KYODO—Japan and South Korea's foreign ministers expressed concern Tuesday [29 June] over North Korea's development of an intermediate-range missile and its suspected nuclear weapons program, Japanese officials said. Japanese Foreign Minister Kabun Muto, who had talks with his South Korean counterpart in Seoul, said Tokyo has made clear its concerns about the newly developed Nodong 1 missile to North Korea through its contacts in Beijing, the officials said.

South Korean Foreign Minister Han Sung-chu said Seoul also has anxieties over the Nodong 1, a North Korean improvement on the old Soviet Scud C missile with a range of 1,000 kilometers, and suggested a tripartite discussion with the United States. Muto and Han agreed to request that Pyongyang also accept inspections of its nuclear facilities by the International Atomic Energy Agency, and comply with the inter-Korean denuclearization declaration, the officials said.

Muto suggested that if no progress is made in the U.S.-North Korea talks scheduled for July 14 over the nuclear issue and Pyongyang continues to refuse inspections, the issue could be referred to the United Nations Security Council. Diplomatic sources have indicated the Security Council could punish North Korean intransigence with economic sanctions.

Muto arrived Tuesday morning for a two-day visit for talks on regional and bilateral issues. The two foreign ministers called for cooperation in investigating the forced prostitution of Korean women by the Japanese Imperial Army during World War II and urged a quick resolution.

"It is impossible for the forward-looking development of relations without a resolution of this problem," Muto was quoted as saying. "We want to announce the results based on an objective judgment at a proper time in the near future." Muto, speaking of the ongoing investigation into the Japanese Government's involvement, said he felt the issue has taken on a character of its own and there are limits to what facts the inquiry can find.

Han said he believed a smooth resolution could be achieved if both sides had the political will for progress. The two also signed an agreement expanding cooperation in environmental protection, featuring an exchange of specialists, the holding of joint seminars and an annual meeting of representatives from both nations to adjust the activities of the agreement. Muto will meet with South Korean President Kim Yong-sam on Wednesday and fly home later in the day.

Ministers View Ties

SK3006042993 Seoul YONHAP in English 0331 GMT 30 Jun 93

[Text] Seoul, June 30 (YONHAP)—South Korean President Kim Yong-sam said Wednesday South Korea places the foundation of its new foreign policy on closer relations with the United States and Japan. In a meeting with visiting Japanese Foreign Minister Kabun Muto, Kim said, "I would like to see the friendly and cooperative ties between Seoul and Tokyo develop into a more mature state."

Referring to things of the past involving the two countries, Kim urged the Tokyo government to make every effort to find facts behind the Japan's recruitment of Korean women as sex slaves for army soldiers during World War II. "The Japanese Government should thoroughly investigate the truth behind the issue and lay the groundwork for the two countries to develop closer ties," he said.

Kim also urged Tokyo to redouble its efforts in redressing the problem of trade imbalance, which is heavily in favor of Japan, and strengthening technological cooperation. Recalling that North Korea had recently rejected a South Korean bid to resume dialogue, Kim also urged Japan to actively cooperate in resolving the controversial North Korean nuclear issue. The Japanese minister arrived here Tuesday for talks on the North Korean nuclear issue, political developments in Northeast Asia and the prospects for the G-7 summit in July and other issues.

More on Japanese Newsmen Receiving Military Data

Seoul To Continue Questioning TV Chief

OW2906125293 Tokyo KYODO in English 1220 GMT 29 Jun 93

[Text] Seoul, June 29 KYODO—South Korea's Defense Ministry on Tuesday [29 June] indicated it may continue

questioning a Japanese television reporter who is suspected violating statutes protecting military secrets. The ministry requested the Seoul bureau chief of Japan's Fuji Television Network, Masato Shinohara, 39, appear for questioning over his alleged acquisition of classified military documents from a South Korean naval officer.

Shinohara was detained by authorities Saturday on charges of obtaining the documents and was indicted without physical detention Monday by Seoul prosecutors and then released. According to the ministry, Shinohara allegedly received the documents from Navy Lt. Cmdr. Ko Yong-chul, 40, of the ministry's Defense Intelligence Headquarters between May 1990 and May 1993.

The documents include five classified papers rated just below top secret on the deployment of air and ground forces and other sensitive topics and 31 other documents of military importance. Shinohara reportedly gave the documents to Japanese publications that specialize in military issues. Further, it is suspected that Shinohara may have passed some of the materials on to defense officials in the Japanese Embassy in Seoul, the ministry said.

Meanwhile, South Korea's YONHAP NEWS AGENCY reported that Seoul prosecutors indicated they may arrest Shinohara to conduct further investigations if they find evidence he handed the suspect documents over to a third party. In Tokyo, Fuji Television President Hisashi Hieda said he was convinced Shinohara was only doing his job as a journalist in regards to the incident, adding "we want to take countermeasures after making sure of the facts." The network has already dispatched a pair of officials to Seoul to investigate the incident.

Journalist Asked About U.S. Contacts

*SK3006085993 Seoul YONHAP in English 0849 GMT
30 Jun 93*

[Text] Seoul, June 30 (YONHAP)—Military investigators on Wednesday started to examine the possibility of Masato Shinohara, chief of the Seoul bureau of Japan's Fuji Television, of having collected military information from U.S. officers. The Defense Security Command [DSC] summoned the Japanese correspondent Wednesday morning and questioned him on whether he had obtained military materials from American officers based in South Korea.

Shinohara has been booked without being physically detained on charges of having obtained classified South Korean military documents from Navy Lieutenant Commander Ko Yong-chul and others. Ko, 40, is serving with the Defense Ministry's military intelligence headquarters.

The DSC summoned a Korean employee of the Seoul bureau of Fuji Television Co., to find out how the secrets had been turned over to the correspondent from Ko. Meanwhile, the Defense Ministry plans to discipline

Ko's two direct superiors, one active colonel and the other retired, in connection with the case.

The ministry also plans to conduct an across-the-board inspection of major units and organizations of the military for possible information leaks and to revise military security-related regulations. The ministry will amend the military secret protection law so that it can provide legal devices to better prevent recurrence of such a case, Defense Ministry sources said. A ranking Defense Ministry official said that the government would also look into the DSC to see whether it had properly worked as a counterespionage organ for military affairs and the military discipline had become lax.

PRC President May Visit Seoul 'This Year'

*SK3006005393 Seoul YONHAP in English 0011 GMT
30 Jun 93*

[Text] Seoul, June 30 (YONHAP)—Chinese President Jiang Zemin is highly likely to visit South Korea this year, according to Rep. Choe Hyong-u of the ruling Democratic Liberal Party, who returned home from a trip to China on Monday.

Rep. Choe told reporters at his home Tuesday evening that Jiang's visit within this year seemed to be a "certainty." However, he did not say when the Chinese leader's visit would be made.

The Chinese Government has officially shown the position that Jiang's visit to Seoul within this year would be difficult.

DLP Official Returns From PRC Economic Contacts

*SK2906034093 Seoul YONHAP in English 0236 GMT
29 Jun 93*

[Text] Seoul, June 29 (YONHAP)—Rep. Choe Hyong-u, a former secretary-general of the ruling Democratic Liberal Party [DLP], returned Monday [28 June] from a two-week tour of China. He met with Chinese leaders such as Standing Committee Chairman Qiao Shi of the National People's Congress and Vice Prime Minister Zhu Rongji to discuss increased economic cooperation between the two countries, including a pending aviation pact. Choe has been out of politics since resigning as secretary-general over his son's illegal college enrollment, but is expected to return to the fray when the National Assembly opens a two-week extraordinary session in July.

Seoul, PRC Form Friendship Group in Beijing

*SK3006092993 Seoul YONHAP in English 0815 GMT
30 Jun 93*

[Text] Beijing, June 30 (YONHAP)—A non-governmental China-South Korea Friendship Association was formed in Beijing Tuesday [29 June] with 60-odd figures from the two countries attending. Zhu

Muzhi, a former culture minister and president of the Association for Cultural Exchanges With Foreign Countries, was named chairman of the purely private association.

"The peoples of our two countries have kept long, friendly relations in history and we will expand private-level exchanges with the formation of this association," Zhu said. South Korean Ambassador to Beijing Hwang Pyong-tae and such Chinese officials as Vice Foreign Minister Yang Fuchang, Vice Chairman of National People's Congress Standing Committee Cheng Siyuan and Vice Culture Minister Han Xu were on hand at the ceremony.

Police Search for 47 Missing Iranians

SK3006072393 Seoul YONHAP in English 0149 GMT 30 Jun 93

[Text] Seoul, June 30 (YONHAP)—The National Police Administration [NPA] was searching for 47 Iranians who went into hiding after entering the country in two groups, an NPA spokesman said Wednesday.

Police said 18 Iranian arrived in the country aboard a Korean Air (KAL) plane on June 21 and 29 others followed them on June 24. All of them wrote down names of several hotels in Seoul as places of their residence while in Korea but they have not checked into the hotels and their whereabouts were unknown, he said.

Police believes that the Iranians are not connected with any terrorist groups. But there is a possibility that they were working without permit or engaged in some other illegal activities, the spokesman said.

Lawmakers Call for Aid for Central Asian Koreans

SK2906061193 Seoul YONHAP in English 0538 GMT 29 Jun 93

[Text] Seoul, June 29 (YONHAP)—Lawmakers called Tuesday for the quick installation of consuls in former Soviet republics in Central Asia to help ethnic Koreans living there, and advised the government and private organizations to give more support for education and press institutions there. A study team that included ruling Democratic Liberal Party Rep. An Mu-hyok and Democratic Party Rep. Yi Pu-yong, both members of the National Assembly Foreign Affairs and National Security Committee, made the suggestions in a report based on a weeklong visit to the area in early June.

"Our country should help the region's 300,000 ethnic Koreans, victims of racial discrimination, by promoting closer relations with local governments, setting up missions there and encouraging business investment," the report said. The government should step up its plan to establish a consul in Kazakhstan, initially slated for late this month, and change the timetable to open a mission in Uzbekistan to September instead of next year, it said. It also called for sending teachers to Korean schools in

the area, supporting Korean newspapers, radio and television, opening an air route to Beijing, Tashkent and Moscow, greater exchanges with Central Asian countries in various fields, investment by Korean companies, and promotion of specialists on the region.

German Foreign Minister To Visit Seoul 5-6 Jul

SK3006023193 Seoul YONHAP in English 0146 GMT 30 Jun 93

[Text] Seoul, June 30 (YONHAP)—German Foreign Minister Klaus Kinkel makes an official visit to Seoul July 5-6, the Foreign Ministry announced Wednesday. Kinkel and his South Korean counterpart Han Sung-chu will exchange information on political developments in their respective regions and bilateral issues, the ministry said. His visit precedes his attendance at the G-7 summit in Tokyo.

Former House Speaker To Resign From Assembly

SK3006053993 Seoul YONHAP in English 0513 GMT 30 Jun 93

[Text] Seoul, June 30 (YONHAP)—Former House Speaker Pak Chun-kyu submitted his resignation from the National Assembly on Wednesday. Pak, who has been criticized for having amassed wealth through dubious means after he disclosed his personal assets in March, resigned as speaker of the National Assembly and left the ruling Democratic Liberal Party. He is now staying with his daughter in California.

One of his aides said, "Pak is in bad health and doctors advised him to take rest for four months." Nevertheless, analysts believe Pak has obviously taken the action in order to forestall further embarrassment if he had to disclose his assets again in the second round of asset disclosures by public officials.

Opposition: Ex-Presidents Refuse Questionnaires

SK2906035293 Seoul YONHAP in English 0159 GMT 29 Jun 93

[Text] Seoul, June 29 (YONHAP)—Former Presidents Chon Tu-hwan and No Tae-u refused Monday to answer questionnaires on the 1979 "coup d'etat-like incident" sent them by the opposition Democratic Party, Rep. Kang Chang-song said on Tuesday. Kang is chairman of the party's Committee for Investigating Facts on the Dec. 12 Army Affair.

In a press conference on June 19, Kang announced that the questionnaires were to be sent to Chon and No, and asked them to meet with his committee between June 25 and July 10 to answer the questionnaires. "Chon and No have reacted negatively, reasoning that they did not feel a duty to answer the questionnaires as the investigation was just a party activity," Kang said.

The committee will have a press conference on Friday at the National Assembly to release a questionnaire to be

sent to former President Choe Kyu-ha. The committee will complete its work in July and issue a report on the coup in August.

Kim Chong-pil: Stolen Objects Held by 1979 Coupists

SK2906130193 Seoul YONHAP in English 1201 GMT
29 Jun 93

[Text] Seoul, June 29 (YONHAP)—Kim Chong-pil, chairman of the ruling Democratic Liberal Party, said on Tuesday he knows the whereabouts of the priceless artifacts which "new military leaders" took from his home upon the expanded martial law of May 17, 1980. The "new military leaders" refer to those military generals and colonels who seized power after staging a "coup-like" incident on Dec. 12, 1979.

Kim said the artifacts taken included a folding screen with pictures done by Prince Taewonkun, a "Sakunja" painting by Kim Un-ho and a jargon letter by Kim Ok-kyon. "I later learned that the items were distributed among themselves for keeping," Kim said. But, he refrained from giving the names of the keepers of his artifacts.

Upon the expanded martial law in May 1980, investigators searched the homes of "corruptive politicians" to carry away and confiscate valuables as "evidence of illegal fortune making." "I suspect that the holder of Kim Ok-kyon's jargon letter, in particular, must be keeping it without knowing its meaning," said Kim.

He also said that during the search of his home they somewhat left behind a Renoir painting apparently because they didn't know Renoir. The DLP chairman said the Renoir was given him by a friend of his in Japan. "It is a small piece about roses, but I am not sure if this is a genuine Renoir," he said.

Advance Team Departs for Somalia 29 Jun

SK2906141393 Seoul YONHAP in English 1301 GMT
29 Jun 93

[Text] Seoul, June 29 (YONHAP)—South Korea's first military personnel taking part in United Nations peace-keeping operations in Somalia left on Tuesday night aboard a chartered plane. The 60-man contingent, 10 officers and 50 men, was seen off at Seoul airport in a ceremony attended by military personnel and family members. They will fly to Nairobi and then travel to the Somali capital of Mogadishu. Their task is to prepare accommodations for the 190 other troops in the contingent and for the unloading of their equipment and materials.

Dispatch of the Korean troops, who will engage in construction rather than combat missions, for the U.N. operation in the war-stricken African country will be completed July 14, when the 190-man main contingent leaves for Somalia aboard a plane provided by the United Nations. The soldiers are expected to be deployed in the Balad area some 30 kilometers North of

the capital to repair 350 km of the 430 km of road between Mogadishu and Beletweyne that was destroyed during the civil war. Meanwhile, the Panamanian-registered ship with their equipment and materials was last reported to be making smooth sailing and is expected to arrive at Mogadishu on July 6.

Ministry Issues Blueprint on Market Opening

SK3006014293 Seoul THE KOREA HERALD in
English 30 Jun 93 pp 1, 9

[Text] The government will freely float the Korean won against the U.S. dollar, promote the Korean unit as the settlement currency in all foreign transactions and allow commercial loan introduction from abroad, by 1997. Also, banks will be free to buy and sell foreign exchange at own risks and will no longer need underlying documentation proving actual demand for routine foreign exchange transactions, while foreigners will be able to directly buy long-term, non-guaranteed bonds of Korean small and medium-sized companies.

As transitory steps to such full liberalization, the trading band of foreign exchange, or the permissible fluctuation range of daily interbank foreign exchange rate, will be widened to 1 percent, both above and below the level of the previous day's market average rate effective Oct. 1 this year, from the present limit of 0.8 percent. Domestic businesses will be allowed to settle export-import transactions of up to \$100,000 each in Korean won while non-resident foreigners who live in Korea for less than six months will be able to open "free won bank accounts," which can be freely converted to the dollar, also from Oct. 1. The investment ceiling in overseas securities by Korean institutional investors, including securities, insurance and investment-trust companies, will be raised from the present \$50 million-\$100 million to \$100 million and \$200 million.

These are among the major points of the comprehensive blueprint on Korea's financial deregulation and market opening over the next five years announced by the Ministry of Finance [MOF] yesterday, as part of the government's new five-year economic plan (1993-97). In the first phase of the three-stage plan (within 1993), foreign investors will, Aug. 1, be able to freely buy shares of companies in which foreigners have controlling stakes of 50 percent or more, once they are listed on the Korea Stock Exchange. Currently, they are only allowed to invest in domestic companies within limits, set at 10 percent for a company and 3 percent for an individual.

Most immediately, beginning tomorrow, the banks engaging in spot and forward foreign exchange trading will be allowed to go short in dollars to a new, expanded limit of 30 percent of average outstanding export bills purchased by the bank in the previous month, or \$20 million, whichever is greater. The present limit for overall dollar short position is 20 percent, or \$10 million. The move is aimed at facilitating the forward foreign exchange dealing by Korean banks.

Businesses can now hold foreign currency deposits in exchange for won without presenting underlying documents up to \$300 million, from the previous \$100 million. The period in which to submit documentation after a foreign exchange transaction will also be extended to 45 days, from the present 30 days, according to the step-by-step liberalization program.

Foreign high-tech service companies operating in Korea will be given the go-ahead for short-term overseas borrowing, also from tomorrow. So far, only foreign invested high-tech manufacturing companies have been allowed to borrow from abroad on a short term. In the second phase of the plan (1994-95), foreign individuals living in Korea for a year will be treated as Korean nationals and allowed to make unlimited securities investments, a favor currently given only to foreign brokerage houses here, from 1994.

International organizations, such the World Bank and the Asian Development Bank, will be allowed to float won-denominated bonds on the domestic market in 1995, and at the same time, foreigners can buy bond-type beneficiary certificates in an indirect opening of the bond market. Foreigner will also underwrite state and public bond with interest rates at an international level, including housing bond, in 1994. The period of deferred payments for raw material imports, which had been extended from 90 to 120 days in the first-phase, will be further prolonged to international levels during the period.

Finally, in the third and last stage (1996-97), Korea's foreign exchange system will approach those of industrial countries with minimal participation by the central bank, with foreign exchange positions completely in the hands of banks, underlying documentation requirements almost gone and foreigners' participation in stock and bond markets drastically widened, according to the blueprint. In areas other than foreign exchange and capital markets, foreign securities companies will be able to more easily set up branches here with their minimum capitalization requirements lowered.

The foreign investment trust companies and investment counseling companies will be able to buy equities of their Korean counterparts, within limits of 10 percent of total, and 5 percent of a single company this year, increasing their shares in the following stages. Foreign investment counselors will open own representative offices this year, and credit rating firms, next year.

The government will also gradually lower the mandatory purchasing ratio of monetary stabilization bonds from specific money trusts, now ranging from 30 to 70 percent of operational assets. In the 1996-1997 period, foreign banks, now represented here only in branches and representative offices, will buy equity stakes of existing Korean banks, the plan said. "This is the most drastic and far-fetched liberalization program of the Korean

financial industry that we can offer at the moment," said Yim Chang-yol, the MOF's assistant minister for international affairs.

In drafting the plan, he said, the ministry tried to create a more open, market-oriented and international financial climate for both Korean and foreign businesses to conduct efficient business activities. Noting that all detailed plans will be implemented on schedule and without preconditions, Yim said that the government will, however, take minimal precautionary steps to prevent possible excessive influx of speculative money, taking into account the examples of industrial countries.

"The key to successful market opening and internationalization is for both the governments and people to maintain a surplus by sound fiscal policy and increasing savings," Yim said. "Provided that this program proceeds without hitch, this country will meet all qualifications for joining the Organization for Economic Cooperation and Development."

Communications Ministry To Regulate Satellites

SK2906012993 Seoul THE KOREA HERALD in English 29 Jun 93 p 3

[Text] The Communications Ministry yesterday came out with a draft bill that would place the ministry as the major regulator in the nation's burgeoning satellite telecommunications industry. According to the draft which is subject to debate among government agencies and parliamentary approval, the communications minister would select the main satellite telecommunications operators to own satellites and earth stations. The main satellite telecom operators would then lease their facilities to service providers whose range of services is to be set by the Communications Ministry, according to the bill.

The nation's first telecommunications satellite, Koreasat, will be put into orbit in April 1995, opening up an era of full-fledged satellite-based broadcasting and telecommunications. The government agencies like the Information Ministry have been competing with the Communications Ministry to become the main regulator in the potentially lucrative industry.

The Communications Ministry's proposed bill says that state-funded Korea Telecom, the chief promoter of Koreasat, will become the nation's main satellite telecom carrier for three years from the time the law goes into effect. Foreign firms and joint ventures where foreign firms control more than one-third of the shares would be barred from getting a license to operate a satellite telecommunications network. The bill would also empower the communications minister to set the basic guidelines for the promotion of the satellite broadcasting and telecommunications industry.

Planners To Face 'Naive' Economic Policy

SK2606071093 Seoul THE KOREA TIMES in English
26 Jun 93 p 16

[By staff correspondent Kim Chang-yong]

[Text] Top economic planners are hell-bent on publicizing what the Kim Yong-sam administration has done in the past months on the job but they will face the 100th day of their rosy, yet naive, short-term pump-priming policy next week in a gloomy atmosphere. They canceled a projected public rally to showcase the results of the "100-day plan for a new economy" apparently because of its humble results so far. Rather, they will hold a massive gathering of public officials and businessmen at Chongwadae [presidential offices] on July 2 to report on the "five-year plan for a new economy."

With the expiration of their 100-day plan around the corner, Deputy Prime Minister-Economic Planning Minister Yi Kyong-sik held a series of meetings with professors and other private experts while Trade, Industry and Energy Minister Kim Chol-su met with newspaper editors. Pak Chae-yun, senior presidential secretary for economic affairs, who has actually taken control of the planning, also joined the publicity campaign.

The propaganda offensive came amid a still slack business performance and largely focused on persuasion of the difficulties in reinvigorating the economy in a short span of time, which analysts feel amounted to a confession of the failure of the blitzkrieg-like 100-day plan. "President Kim Yong-sam's economic plan will bring about a tangible outcome at least within two or three years of aggressive efforts by the government and the people as well," Yi said in a recent press meeting.

"It is too hasty if they expect a substantial upswing in 100 days, around the end of this year, or next spring," he said, adding that the economy is no "illusion." It was, however, the economic team that put a sort of illusion to the people in economic matters with the much-touted 100-day plan in the first days of the Kim administration, which won only 42-percent support of the votes cast in the Dec. 12 presidential election. Economic issues had been top on the agenda in the electioneering.

There are few latest official figures that could back achievements of the 100-day economic blueprint. Just one good tally is industrial production predicting a remarkable gain from 0.7 percent in January and 0.1 percent in April to 3-5 percent in May over a year earlier. But it was compared with a very low level in May 1992, according to the analysts.

Exports, the driving force of the Korean economy, are not showing much promise despite some favorable factors including the appreciation of the Japanese currency and a boom in China. As of Tuesday, exports and imports declined 7.3 percent and 1.5 percent, respectively, to 35,930 million dollars and 39,090 million

dollars from the same period of last year. As of the same day in 1992, exports and imports increased 9.1 percent and 3.2 percent.

The trade deficit narrowed from 6,201 million dollars to 3,163 million dollars this year, but it largely stemmed from shrinking imports, caused by decreased domestic demand. Letters of credit [L/C], that have arrived since the onset of this year till June 20, amounted to 26,136 million dollars, up 4.2 percent over a year earlier. The growth was yet lower than last year's 6.7 percent. L/C arrivals are a key barometer for future exports.

Investment in overall industry, except the prosperous shipbuilding sector, has inched up 0.3 percent for the past four months. Government permission for machinery imports, a prerequisite to the expansion of production capacity, fell 13.3 percent during the period. Similar trends are going on now.

With all the president's plea for price freezes, business organizations' immediate response and strict surveillance on the prices of seven basic necessities by the Economic Planning Board, consumer prices grew 3.7 percent on average as of May 31, barely below the control target set at 4-5 percent for the whole year. "The economic planners, usually in discord over several crucial questions, are showing rare teamwork in the publicity campaign," one analyst quipped. "But they are offering an empty table."

Hyundai Unions To Wage 'Struggle' for Pay Hikes

SK3006092893 Seoul YONHAP in English 0759 GMT
30 Jun 93

[Text] Ulsan, June 30 (YONHAP)—Tension mounted here Wednesday after trade unions of nine Hyundai Group affiliates decided to push ahead with a combined struggle for pay hikes, defying the Labor Ministry's warning that such collective action was against a legal provision that prohibits any involvement by a third party in wage negotiations. The Federation of the Trade Unions of Hyundai Affiliates is to hold a joint rally later Wednesday and is expected to threaten to call a general strike next week if Hyundai management continues to refuse combined wage negotiations involving all unions at a time.

Hyundai Motor Co. and Hyundai Heavy Industries Co. are said to be considering shutting down production lines if the federation decides to stage a general strike. Federation leaders are poised to adopt a proposal for a direct meeting with the group chairman in the congregation. Earlier in the day, they tuned up the contents of their resolution to be adopted and the rigidity of their job actions to take.

They reported their plan to hold the assembly to the police but a clash between the labor and management is feared as the Labor Ministry defined Tuesday that involvement of a third party, which applies to unions of

other Hyundai affiliates in this particular case, in wage disputes of a company was clearly illegal. Members of all nine unions under the federation decided to refuse overtime works and laid down their tools at around 3 pm to and gather at Ilsan beach for the rally.

Businessmen Urged To Take Active Part in Economy

SK2806035993 Seoul YONHAP in English 0216 GMT 28 Jun 93

[Text] Seoul, June 28 (YONHAP)—Senior Presidential Secretary for Economic Affairs Pak Chae-yun reportedly called on industrial leaders to commit themselves to President Kim Yong-sam's plan to develop "a new economy" at a dinner on Sunday [27 June]. As the president's aim was economic growth on the basis of creativity and participation, there should be a partnership between the government and the business community, not the lead-and-led relationship of the past, for government-led and private-led development plans, Pak told 22 business leaders according to one of the guests.

Among his guests were Daewoo Chairman Kim U-chung, Sunkyong Chairman Choe Chong-hyon, who is also chairman of the Federation of Korean Industries, and Ssangyong Chairman Kim Sok-won. There would be no anti-corruption investigation specifically targeting conglomerates, nor had there been any, and it would be wrong to dampen business activity with investigations just when businesses needed to sharpen their competitive edge in the world market, the guest quoted Pak as saying.

The government would continue to advise business groups to disperse their stakes in affiliates because broader ownership would increase business efficiency, he was quoted as saying. The leaders asked Pak to make the government ease controls on business activity to give them greater freedom and reform the financial industry earlier than the scheduled to raise it to international standards.

The guest said the dinner was an important turning point in government-business relations as it was the first meeting with such a large group of industrial leaders since Kim's inauguration and because Kim's plan to build a new economy had been hurt by labor disputes at Hyundai Group firms. Pak told reporters before the dinner that he had arranged it to brief the business leaders, a major driving force of the economy, on Kim's plan to build a new economy. Understanding the concept of Kim's new economy would help them increase investment and rationalize management for better competition with foreign rivals, he said.

Hyundai Chairman Chong Se-yong was away because of the disputes at group firms in the Ulsan area, Halla Chairman Chong In-yong was ill, and Samsung Chairman Yi Kon-hui, Lucky-Goldstar Chairman Ku

Cha-kyong, Lotte Chairman Sin Kyok-ho, Hanhwa Chairman Kim Sung-yon, Dongguk Chairman Chang Sang-tae and Daelim Chairman Yi Chae-chun were all abroad.

Seoul Has No Difficulty Securing Oil Supplies

SK2806041993 Seoul YONHAP in English 0256 GMT 28 Jun 93

[Text] Seoul, June 28 (YONHAP)—South Korea has no difficulty securing oil despite the U.S. attack on Baghdad, Trade, Industry and Energy Ministry officials said on Monday. "South Korea has not imported a drop of oil from Iraq since the United Nations banned buying oil from Iraq in its resolution at the end of the Gulf war in 1991.

"The U.S. attack to Iraq on Sunday did not affect South Korea's securing oil at all. "The U.S. attack to Iraq will not affect oil prices in the world market, because the attack has a temporary nature, not a total aggression. In reality, world oil prices did not change after the attack," the ministry officials said.

Limit on Duty-Free Alcohol, Tobacco Lowered

SK2906035593 Seoul YONHAP in English 0148 GMT 29 Jun 93

[Text] Seoul, June 29 (YONHAP)—Starting on Thursday, the duty-free allowance for over-18 travelers entering Korea is a one-liter bottle of alcohol and 10 packs of one brand of cigarettes. Anyone under the age of 18 may bring in neither alcohol nor cigarettes. The Korean Customs Administration announced Tuesday [29 Jun] that the new limits on duty-free alcohol and cigarettes would apply from July 1 and that enforcement of the regulations would be strict.

Under the change, an adult may have one liter of duty-free alcohol and 200 cigarettes or 50 cigars or 250 grams of other type of tobacco. The previous limit was two liters of alcohol and 400 cigarettes or 50 cigars or 200 grams of pipe tobacco or 100 grams of other kinds of tobacco. For minors, under 18, there is a total ban on alcohol and cigarettes.

The administration said it lowered the limit because it feared that the great increases in the amounts of alcohol and cigarettes being brought in by Koreans could fan over-spending and worsen the travel balance. Duty-free liquor brought in last year is estimated at 2,993,000 bottles on which the purchasers spent 112 million U.S. dollars. This amounts to 18 percent of all the foreign alcohol consumed in Korea and the duty exempted was 265.4 billion won (330 million dollars).

Some 30 million packs of cigarettes were carried into the country, or 0.6 percent of the total consumed here and 12 percent of the foreign cigarettes consumed here. The unpaid duty of 360 won on each pack totalled 10.8 billion won.

Burma

Talks on Basic Principles Continue 28 Jun

*BK2906115393 Rangoon Radio Burma in Burmese
1330 GMT 28 Jun 93*

[Text] Groups of National Convention delegates representing political parties, national races, and public service personnel today continued their panel discussions in the morning and in the afternoon at their respective meeting halls on the Kyaikkasan Grounds, Yangon [Rangoon].

The group representing political parties held its panel discussion on the prescription of fundamental principles of the state at 1000 this morning in Meeting Room No. 5. U Tharzan Hla of the National League for Democracy chaired the meeting, while U Zeya acted as secretary.

After an opening speech by the chairman, U Ti Hkun Kyu, alias U Ti Jong Gan read and presented the Shan State Kokang Democratic Party's report on suggestions. The meeting was adjourned at 1100 in the morning for lunch and resumed at 1300 in the afternoon. In the afternoon session, U Maung Maung Htwe of the Mro or Khami National Solidarity Organization, and U Yaw Aye Hla of the Lahu National Development Party read and presented their parties' reports on suggestions. The meeting was again adjourned at 1350 for afternoon tea and resumed at 1430. During this session, U Maw Koe, alias U Sai Lon, read and presented the Wa National Development Party's report on suggestions. The meeting ended at 1510 in the evening.

The group representing national races held its panel discussion on the same subject at 1000 this morning in Meeting Room No. 1. U Naing San Shein from Mon State chaired the meeting and U San Tun acted as secretary. After an opening speech by the chairman, the following delegates held discussions and presented suggestions: U Sein Win from Irrawaddy Division, U Tint Swe from Kachin State, and U Ku Win Naung from Karen State. After the presentations the chairman gave a closing speech. The meeting ended at 1100 in the morning and it was decided to continue the discussions at 1000 on 2 July.

The public service personnel group held its panel discussion on the same subject at 1000 this morning in Meeting Room No. 8. U Ant Maung from the Ministry of Religious Affairs chaired the meeting, while U Hla Win acted as secretary.

After an opening speech by the chairman, U Myint Swe from the Ministry of Cooperatives held a discussion and presented suggestions. Then the chairman gave a closing speech. The meeting ended at 1040 in the morning and decided to hold the next discussion at 1000 on 30 June.

29 Jun Discussions

*BK3006073293 Rangoon Radio Burma in Burmese
1330 GMT 29 Jun 93*

[Text] The National Convention delegates group representing special invitees today continued their panel discussion on the prescription of the fundamental principles of state at 1000 this morning at meeting hall no. 2 in the Kyaikkasan Grounds, Yangon [Rangoon].

The panel discussion was chaired by U Sai Aung Tun, vice chairman of the Myanmar [Burma] History Board, while U Soe Lwin acted as secretary of the meeting.

After an opening speech by the alternate chairman, convention delegate U Ko, retired ambassador, held a discussion and presented suggestions. After the presentation, the chairman gave a closing speech. The meeting ended at 1045 and it was decided to continue the discussions at 1000 on 2 July.

Brunei, Malaysia & Singapore

Malaysia

Commentary Views Outcome of Human Rights Meet

BK2906142393 Kuala Lumpur Voice of Malaysia in English 0800 GMT 28 Jun 93

[Station commentary]

[Summary from poor reception] Malaysia played a significant role at the recent international conference on human rights in Vienna, the Austrian capital, where a special declaration on Bosnia-Herzegovina was issued.

Datuk Musa Hitam, who led the Malaysian delegation, spoke on genocide taking place in Bosnia. The Islamic states led by Pakistan had to put up a hard fight to get this issue discussed in the conference. The overwhelming vote in favor of the declaration on Bosnia is an encouraging sign. As Datuk Musa Hitam said, the mandatory majority support was obtained. If this had not been the case, many people would have been even more cynical of the very words human rights.

The voting also showed an interesting fact about the Western nations. Two thirds of them were against the discussion of the Bosnia situation. With the delegates expected to be highly academic, they must not shut their eyes to the most flagrant violation of human rights of our time.

The Vienna conference addressed itself to several other aspects of the human rights issue. Again, there are bound to be differing perceptions on the whole subject of human rights. Different culture and different social attitude cannot be overlooked. Of course, on certain issues, such as genocide and mass deportation of people, there is bound to be a common outlook.

The new declaration on human rights was hailed as a historic document. It is certainly historic in that this is the first time such a declaration is issued. Yet, a document of this nature will be assessed only on what it will be like when translated into action.

The Western nations will have become aware of the stronger views by the Islamic states and many others from the South over matters that they did not think important. Everyone now looks forward to more progress in the important sector of human rights.

Sabah Opposition Party Members Defect to UMNO

BK2906125593 Kuala Lumpur NEW STRAITS TIMES in English 28 Jun 93 p 1

[By Joseph Bingkasan]

[Text] Kudat, Sunday—A total of 500 members of Parti Bersatu Sabah (PBS) [Sabah United Party] and 354 from United Sabah National Organisation (USNO) today resigned from their parties and applied to join UMNO [United Malays National Organization].

They handed their applications to UMNO vice president and Finance Minister Datuk Sri Anwar Ibrahim during a meet-the-people gathering organised by the Marudu UMNO Division.

The 854 pledged their support to UMNO and the Federal Government. They also said that as the PBS-USNO coalition government was unable to bring about economic development to Sabah, more members would leave the state ruling parties.

Addressing a large gathering at the Sekolah Menengah Kebangsaan [National Secondary School] Abdul Rahim Hall, Anwar said Bumiputeras [indigenous people] in Sabah, irrespective of religion and race, should unite under UMNO. He said this was the only way the people could enjoy development.

"It is sad that while the nation attains an 8.1 percent economic growth, there is unemployment in Sabah. Not only that, the state's economic growth is also on the decline."

On USNO, Anwar said it was a known fact that all its members had joined UMNO except for a handful of its leaders, who remain in USNO for their self-interest.

"USNO founder-president Tun Datu Mustapha Datu Harun, who left USNO to join UMNO, had repeatedly stated that he was no longer with USNO. He does not want his name to be used (by these people) to confuse the rakyat [people]."

Datu Mustapha is now Sabah UMNO liaison committee deputy chairman and has been appointed Minister for Sabah Affairs. He is expected to take his oath of office in August.

Anwar said the PBS-USNO coalition government would not bring benefit to the people of Sabah and it was time they supported Barisan Nasional [National Front] which had brought the country to be ranked among the fastest developing countries in the world.

Anwar, who arrived here yesterday left for Kuala Lumpur this evening. While here, he met large gatherings of people in Kota Belud, Kudasang, and Kudat.

BERNAMA Discusses Cooperation With IRNA

LD2806150093 Tehran IRNA in English 1344 GMT 28 Jun 93

[Text] Kuala Lumpur, June 28, IRNA—Islamic Republic News Agency (IRNA) General Manager Ferdyun Verdinejad arrived here on Saturday on a familiarisation tour of the agency's overseas operations. He was accompanied by senior officials from IRNA.

Verdinejad, who is the current chairman of the Non-Aligned News Agencies Pool (NANAP), also met with the Malaysian National News Agency (BERNAMA) Chairman Mazlan Nordin and the General Manager Raus Borhan. They held discussion on cooperation between the two news agencies aimed at strengthening existing ties. He later toured Bernama's operations.

IRNA-Kuala Lumpur, one of 30 IRNA offices overseas, serves as the regional office, covering countries in south-east Asia region.

Chief Minister on Danger of Iranian Influence

BK2906123893 Kuala Lumpur NEW STRAITS TIMES in English 27 Jun 93 p 9

[Text] Kuala Terengganu, Saturday—Terengganu Menteri Besar [Chief Minister] Tan Sri Wan Mokhtar Ahmad today confirmed that a male student from Besut is involved with a Shi'ite group in Iran.

He was one of 60 Malaysian students identified in Qum, Iran, who were involved with a Shi'ite group.

"I met some of the students, including those from Selangor and Perak, in Iran recently and I fear that if we don't monitor their activities, they could cause problems when they return," Wan Mokhtar said after opening the Terengganu Malay Chamber of Commerce and Industry's annual meeting.

He was commenting on a recent report that some Malaysian students were sponsored by a group of people to study in Iran and that they were picked to further their studies without going through the proper channel.

Wan Mokhtar hoped that the Government would appoint an officer to look into the affairs of Malaysian students in Iran so that they would not be influenced by Shi'ite teachings.

"Our students must be kept informed of developments in Malaysia and be reminded of the Islam practised here. It

is all right if they want to learn the Iranian language or other academic subjects but they must not get involved with the Shi'ite group."

He added that those who had joined the Shi'ite group would find it difficult to adapt to the Islam practised here and could create discontentment among local Muslims.

Singapore

Editorial: Clinton 'Careless' in Striking Iraq

BK2906141493 Singapore THE STRAITS TIMES in English 29 Jun 93 p 26

[Editorial: "Bravo or Bravado?"]

[Text] Saddam Husayn is solely culpable if Iraq begins to look like every new American president's target for firing practice. In the Gulf war of 1991, President George Bush was fastidious about observing legal niceties and mobilising the forces of reason to punish the Iraqi leader for invading Kuwait. From the United Nations came sanctions, while a broad-based coalition of countries provided unity of resolve against acts of swallowing weak neighbours. Sunday morning's missile attack against Baghdad's intelligence headquarters ordered by President Bill Clinton was different—uncomfortably so. The U.S. justified its action thus: It was to retaliate for an alleged attempt on Mr. Bush's life in April while he was in Kuwait to be honoured for his part in the country's liberation and to warn Iraq and other regimes which fund and organise terrorism that wanton acts would not be allowed to proceed. The U.S. has righteousness on its side. There can be no argument that abominations like President Saddam and the malevolent creed he espouses should be dealt with firmly. He spreads death and suffering among his own people as elsewhere. But this should not excuse the Americans or more precisely, Mr. Clinton, for being careless about form.

First, the timing of the attack. The trial of 11 Iraqis and three Kuwaitis for conspiring to murder Mr. Bush with a car bomb, while he was being driven in a motorcade, has not been concluded. One ring leader, who pleaded guilty, said he was to carry out the assassination. Another denied knowledge. The probability is that they will be found guilty and that Iraq would be implicated. But, there is no dispensation for Mr. Clinton or any leader who respects the rule of law to presume anything. At the UN on Sunday, the American representative, Ms. Madeleine Albright, offered "compelling" photographic evidence and argued "self-defence" as justification under Article 51 of the UN Charter. Self-defence against an assassination bid? Where might it end? At least six civilians died in the Baghdad attack when three cruise missiles went astray. An America sure of its ground should not have to explain blood on its hands. Would a "don't tread on us" attack be any less telling if delivered after the Iraqi connection had been established? Second, as a pre-emptive strike to root out state terrorism, the

experience of recent years has not been encouraging. After President Ronald Reagan bombed Tripoli and Benghazi in 1986 for a Libyan terrorist attack in Germany in which U.S. soldiers were killed, suspicions are that the Libyans responded by staging the bombing of a Pan-Am flight over Scotland two years later with the loss of 270 lives. In trying to break the cycle of violence, which deserves applause, the impression is created that the U.S. has unwittingly become a part of it. As for President Saddam, the Gulf war hammering has not moderated his conduct. Thirdly, in hitting Iraq decisively while allowing the Serbs the run of Bosnia as Muslims are being exterminated and pussyfooting over Israel's infractions against Palestinians in its occupied territories, the U.S. must concede it cannot rebut accusations of applying double standards.

This is the lament of the Arab League. It makes a persuasive case. By alienating moderate Islamic or secular countries such as Egypt, Saudi Arabia, Turkey, and Pakistan—all important allies—the U.S. compromises its security framework in the Middle East and the belly of Europe. All of Christian Europe has supported the Baghdad strike, while all of the Islamic and Arab bloc save Kuwait has been incensed. The U.S. must know that polarisation along religious grounds works against its interests as it seeks to realign strategic alliances after the Cold War. It is to be hoped Mr. Clinton had acted with the best of intentions. If it eventually turned out that he had resorted to dramatic gestures just to help his troubled presidency, he would regret the destructive motivation. A president may play war games which he can control. This one does not look like he can.

Shipment of Libyan-Bound Reactors Blocked in Mar

BK2906145693 Singapore THE STRAITS TIMES in English 29 Jun 93 P 22

[Text] A shipment of eight steel vessels believed to be reactors for the production of chemical weapons was blocked in Singapore while en route to Libya.

A spokesman for the Ministry of Foreign Affairs [MFA] told THE STRAITS TIMES yesterday that the Singapore Government, acting on a request from the chairman of the United Nations Security Council Committee, directed that the agent here return the reactors, believed to have been manufactured in Malaysia, to Port Klang.

This move marked the first time that the year-old arms embargo against Libya was used to obstruct the country's drive to build a chemical arms industry.

On April 15 last year, the UN Security Council banned international air links and arms sales to Libya after it failed to surrender for trial two men indicted in Britain and the U.S. for their involvement in the 1988 bombing of a Pan Am jet over Lockerbie Scotland, which killed 270 people.

A Libyan company had apparently placed the order for the eight stainless steel vessels with a Malaysian company after it failed to obtain similar vessels from a British firm in 1990.

The Libyans claimed that the vessels were to be used for the production of drilling mud to lubricate drill bits.

However, Western experts said the vessels, which cost around 500,000 pound sterling (S \$1.19 million [Singapore dollars]), were more expensive and of a much higher quality than the simple steel ones which could be used to produce drilling mud.

Another suspicious development which set off alarm bells was the fact that the reactors' ultimate customer was a Libyan company known to be a key player in Tripoli's chemical weapons programme.

According to a recent report in *THE MIDDLE EAST* magazine, the reactors were shipped from Port Klang on Feb. 3 and arrived in Singapore two days later.

The MFA said that on March 5, the chairman of the Security Council Committee acting on the resolution against Libya, advised the government here not to allow the transshipment of the reactors to Libya in view of their possible purpose.

A spokesman for the ministry said: "In compliance with this request, the Singapore Government instructed the shipping agent concerned not to tranship the reactors to Libya."

The reactors, which were stored at a Port of Singapore Authority warehouse, were sent back to Port Klang by the agent on April 22.

Reiterating the government's position, the spokesman added: "The Singapore Government is committed to observing its obligations under all mandatory UN Security Council resolutions."

Czech Foreign Minister Meets Counterpart, Premier

LD2906105593 Prague CTK in English 1025 GMT 29 Jun 93

[Text] Singapore, June 29 (CTK correspondent)—Czech Foreign Minister Josef Zieleniec handed to his Singapore counterpart Wong Kan Seng draft agreements on the protection of investment and on prevention of double taxation.

Speaking with CTK after his meetings with the minister and Singapore Premier Goh Chok Tong, Zieleniec said that the opening of a permanent Czech representation would benefit trade contacts between the two countries. He informed the two Singapore leading officials of economic opportunities in the Czech Republic which he called the back door to Europe.

The workshop of Czech and Singapore entrepreneurs, held within Zieleniec's visit, allowed the two parties to acquaint one another with trade opportunities.

On his tour of five Asian countries, which started on June 20 and ends today, Zieleniec is accompanied by 20 leading managers. Before Singapore he had visited India, China, South Korea and Hong Kong.

Cambodia

New Council of Ministers Meets 29 Jun

BK2906121093 Hong Kong AFP in English 1156 GMT 29 Jun 93

[Text] Phnom Penh, June 29 (AFP)—Cambodia's unofficial new ministers met for the first time Tuesday and appealed to civil servants who have abandoned their offices to go back to work. They also appealed to the military and the police to respect law and order in the transitional period while the new government is formed, government officials said at the end of the meeting.

"We drafted a declaration to request the armed forces, police and civil servants to stay calm and to respect working hours and go back to the office and so on," said Uch Kim-an, who is slated to be deputy foreign minister.

Cambodia's government offices have virtually shut down since the U.N.-run election in May. The new transitional authority has no money to pay its workers and has appealed for foreign assistance.

Government spokesman Khieu Kanharit, nominated for information minister, also said the new ministers declared their respect for state and private property. Millions of dollars worth of state assets have been sold in the last two years by corrupt government officials who kept the proceeds, according to the United Nations.

Seven of the 27 ministries now have no buildings where they can set up offices, Khieu Kanharit said.

The declaration was also an attempt to allay fears that the new administration would attempt to redistribute land that was allocated during the Phnom Penh regime's rule from its installation by Vietnam in 1979 until the elections. A number of senior officials in the royalist FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party, which won the election, used to own houses in the capital which are now occupied by Phnom Penh government members.

The ministers, from FUNCINPEC, the government Cambodian People's Party (CPP) and the Buddhist Liberal Democratic Party (BLDP), are due to be confirmed by the constituent assembly on Thursday. The new ministers reflected varying economic classes, arriving in a driving monsoon rain in cars ranging from new Mercedes Benz's to old Russian Ladas.

The constituent assembly, elected in May, was also due to meet Wednesday to elect a chairman.

The aging BLDP leader and former prime minister Son Sann was expected to win the appointment.

To Discuss Lineup, Policy

*BK2906124493 Phnom Penh Samleng Pracheachon
Kampuchea Radio Network in Cambodian 1200 GMT
29 Jun 93*

[Text] On the afternoon of 29 June at the office of the Council of Ministers, a plenary session of the new cabinet of the provisional national government of Cambodia was held to draft a number of reports, including the composition of the new government and the government's program during the transitional period. The reports will be submitted to the assembly for decision.

The meeting was chaired by Samdech Kromluong Prince Norodom Ranariddh and His Excellency Hun Sen, co-prime ministers.

'Sources': Parties Agree on Coalition Cabinet

*OW2906131893 Tokyo KYODO in English 1256 GMT
29 Jun 93*

[Text] Phnom Penh, June 29 KYODO—Cambodian political parties Tuesday [29 June] agreed on a 28-member cabinet for their provisional coalition government, constituent assembly sources said. The cabinet will be formally approved Thursday by head of state Prince Norodom Sihanouk and the assembly, the sources said.

The parties have agreed to share the ministerial posts, with 12 each allocated to the royalist Funcinpec [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party and the Cambodian People's Party (CPP), three to the Buddhist Liberal Democratic Party (BLDP) and one to the rightist Molinaka Party.

Hun Sen, prime minister of the Phnom Penh government, and Funcinpec Party Chief Prince Norodom Ranariddh will co-chair the interim administration and both be prime ministers, the sources said. Hun Sen and Ranariddh will also jointly serve as ministers for the defense, interior and national security portfolios, they said. Funcinpec and the CPP will both have deputy prime ministers in the coalition government.

From Funcinpec, Prince Norodom Sirivuth, Sihanouk's half brother, will be foreign minister, and Sam Rainsy, the party's economic and international cooperation director, will be finance minister.

The CPP's Hor Namhong, foreign minister in the Phnom Penh government, will be state minister, and Khieu Kanharith will be information minister.

The interim administration is expected to take power until the assembly writes a constitution and forms a government three months beyond the May 23-28 general election.

In the election for the 120-seat assembly, Funcinpec won 58 seats, the CPP took 51, the BLDP 10 and Moulinaka [National Liberation Movement of Cambodia] one.

Assembly Elects Son Sann Chairman 30 Jun

*BK3006064893 Hong Kong AFP in English 0505 GMT
30 Jun 93*

[Text] PHNOM PENH, June 30 (AFP)—Cambodia's newly elected constituent assembly elected Son Sann, the former head of a guerrilla faction and the oldest member of government, as its chairman in a unanimous vote Wednesday. Son Sann, 81, who is also a former prime minister, was elected by unanimous applause in the meeting under U.N. supervision.

The 120 members assembled under the country's new flag, which flew over Cambodia before Prince Norodom Sihanouk was deposed in a 1970 coup and has represented the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful and Cooperative Cambodia] party ever since.

"Today is another historical day in our nation's history," he told the representatives in a frail voice. "It is the continuation of our good beginning towards a true stage of reconciliation, true peace, true democracy for reconstruction of our country."

Chea Sim, the president of the Cambodian People's Party (CPP), was made first vice-chairman. FUNCINPEC's Ing Kieth, an advisor to the party's leader, was elected second vice-chairman. There was no dissent. The assembly was also scheduled to elect a secretariat and adopt its rules of procedure, requiring a two-thirds majority to pass any resolution.

The FUNCINPEC party won the election with a simple majority, but the two-thirds majority rule in the assembly requires it to cooperate with the CPP.

The debate also focused on how to address the populace. The communist CPP uses the word "prachechuon," which means "the masses or the people." The FUNCINPEC party uses "prachepolrath," which translates as "citizens of a kingdom." The two sides were discussing whether to adopt the more neutral word "prachereas," which means "subjects or common people."

The assembly also planned to form a committee to draft the constitution.

On Thursday [1 July], the representatives were scheduled to confirm the names of 33 ministers and 29 vice ministers.

Phnom Penh Radio Reports Session

*BK3006151693 Phnom Penh Samleng Pracheachon
Kampuchea Radio Network in Cambodian 1300 GMT
30 Jun 93*

[Text] The first plenary session of the Constituent Assembly was solemnly opened at the National Assembly on the morning of 30 June. Before going into the meeting hall, the assembly members saluted the national flag in front of the National Assembly.

The Constituent Assembly then proceeded to elect His Excellency [H.E.] Son Sann as its chairman, H.E. Chea Sim as its first vice chairman, and H.E. Oeng Keat as its second vice chairman. Afterwards, it examined and adopted the internal regulations of the National Assembly and the annex on oath taking.

The Constituent Assembly elected H.E. Mong Saphan and H.E. Im Sothi as its quaestors, and H.E. Tep Nonthari, H.E. Ros Chheng, H.E. Un Noeng, H.E. Sar Kapon, and H.E. Son Chhai as its secretaries.

The Constituent Assembly set up the permanent commission for drafting the constitution, made up of six members from the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party, one from the Buddhist Liberal Democratic party [BLDP], and four from the Cambodian People's party [CPP]. It also set up the commission for drafting the internal regulations, made up of six members from the FUNCINPEC Party, one from the BLDP, and five from the CPP.

Sihanouk Issues Decree on National Flag, Anthem

BK3006010893 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 29 Jun 93

["Decree of Prince Norodom Sihanouk, Head of State of Cambodia;" dated 29 June—read by announcer]

[Text] Decree of Prince Norodom Sihanouk, head of state of Cambodia:

Article 1. The state of Cambodia should be plainly called Cambodia in Cambodian and Cambodge in French;

Article 2. The national flag is the one Cambodia used to possess before 18 March 1970;

Article 3. The national anthem is Nokoreach Cambodia used to possess in the 1940's, 1950's, and 1960's except that the first verse of the anthem is dropped. As for the melody of the anthem, it remains as before.

[Signed] Norodom Sihanouk

[Dated] Phnom Penh, 29 June

KR Agree To Open Zones to Interim Government

BK3006032193 Bangkok BANGKOK POST in English 30 Jun 93 p 8

[Text] THE Khmer Rouge [KR] have agreed to cooperate with the new interim Cambodian Government by opening up their liberated zones Foreign Minister Prasong Sunsiri told the Cabinet meeting yesterday.

According to Deputy Government Spokesman Thamong Thaimongkon, the minister made the disclosure while briefing Cabinet ministers on his meeting on

Monday with Prince Norodom Ranariddh, a co-chairman of the new Cambodian Government.

Phnom Penh Prime Minister Hun Sen is the other co-chairman of the interim Government spearheaded by Prince Ranariddh's FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party and Phnom Penh's Cambodian People's Party (CPP).

The full list of the Government is yet to be endorsed by the National Assembly which was elected last month.

The Khmer Rouge, who boycotted the elections, do not form part of the Government. But Prince Ranariddh has urged them to join the new national army now being set up.

Foreign Minister Prasong quoted Prince Ranariddh as saying that the Khmer Rouge had agreed to cooperate with the new Government by allowing access to their areas by all factions. Squadron Leader Prasong affirmed that the talks with Prince Ranariddh covered the composition of the new Cambodian Government, the deputy spokesman said.

The Government is to be made up of 27 ministries, with Prince Ranariddh and Mr Hun Sen jointly taking charge of the Interior and Defence ministries as well as sharing the overall chairmanship. Prince Norodom Sihanouk would be head of state.

Prince Ranariddh was also quoted as saying that he would be supreme commander of the new national army while someone from Mr Hun Sen's party would serve as its chief-of-staff.

UN Commander Meets Khmer Rouge in Secret

BK3006044093 Hong Kong AFP in English 0409 GMT 30 Jun 93

[Text] PHNOM PENH, June 30 (AFP)—The force commander of the U.N. peacekeeping mission in Cambodia went to a secret location in the countryside to meet Khmer Rouge representatives Wednesday, the head of the U.N. operation said. The discussions centered on the faction's participation in the Cambodian peace process—which it so far has not joined by refusing to disarm or participate in the U.N.-organized election last month, U.N. Transitional Authority in Cambodia (UNTAC) chief Yasushi Akashi said.

The meeting came one day before the Khmer Rouge's scheduled return to Phnom Penh to hold talks with head of state Prince Norodom Sihanouk and to prepare for the return of nominal leader Khieu Samphan.

The force commander, Australian Lieutenant General John Sanderson, went to an undisclosed provincial location for the meeting, U.N. officials said. He had formally asked the faction in a letter to join the new Cambodian

Armed Forces, which already groups the resistance formerly allied with the Khmer Rouge during the civil war with their former enemies the Phnom Penh armed forces.

The Khmer Rouge representatives meeting Sanderson were not revealed.

"If they are sincere, if they want to join without conditions, I think the door should be open for their participating in the national reconciliation," Akashi told reporters outside a meeting of the country's newly elected constituent assembly.

Prince Norodom Ranariddh, a co-president of the interim coalition government, said the Khmer Rouge realized their error in not participating in the peace process and are now trying to catch up. "I think the Khmer Rouge try to catch the train that not only they missed but they tried to sabotage," he said. "They maybe are trying to catch the train, the train of peace."

"It is good for Cambodia," the prince said. He said Khieu Samphan was also preparing to meet Sanderson when he returns to Phnom Penh in the coming weeks.

Khieu Samphan's envoy, Chan Youran, was due to meet Prince Sihanouk during the one-day visit Thursday. Officially, the envoy was to come to seek Prince Sihanouk's advice on how to participate in the future of Cambodia, according to a letter from Khieu Samphan to the prince.

While Prince Ranariddh has repeatedly said the Khmer Rouge do not seek a role in the governing process of Cambodia, a recent Khmer Rouge radio broadcast hinted at a broader form of participation.

In the broadcast last week, the faction said it "wishes to show gratitude for (Prince Sihanouk's) being of the opinion that the Party of Democratic Kampuchea (Khmer Rouge) should be allowed to have the function of advisor outside the government in order to join in discussions within the framework of a family on various issues."

Prince Sihanouk has said publically that the Khmer Rouge cannot be advisors or members of the government. But Akashi said that the "concrete modalities of their participation depends entirely on the Cambodians."

"I think the transitional government is already agreed upon, but other than that I think they want to participate in some way in the discussions of the future of their country, and I'm sure Prince Sihanouk will be able to devise a method which is satisfactory to all Cambodians," he said.

Diplomats and observers—fueled by a statement from Prince Sihanouk which mentions creation of a second chamber of the legislature—have discussed whether the Khmer Rouge could be included in an upper house, or Senate, that could be elected by the lower house or

appointed by Prince Sihanouk. Embassies contacted here told AFP that the world community likely would not oppose the Khmer Rouge's role in a Senate as long as it did not have legislative power.

Prince Ranariddh did not rule out the idea, but did not endorse it either.

"The second chamber is set up because you have wise people. The representatives of a Senate represent wisdom, so if you think they (the Khmer Rouge) are wise and represent wisdom, why not?" he said.

Indonesia

Suharto To Visit Japan as NAM Chairman

BK2906110693 Jakarta ANTARA in English 1031 GMT
29 Jun 93

[Text] Jakarta, June 29 (OANA-ANTARA)—President Suharto will visit Tokyo from July 4 to 6 in his capacity as the chairman of the Nonaligned Movement (NAM) and have talks with Japan's prime minister, Kiichi Miyazawa, as the current leader of the G-7 [Group of Seven] industrialized countries. Minister/State Secretary Mardiono told the press here Tuesday Miyazawa promised to include inputs from his meeting with Suharto in the agenda of the G-7 meeting which is to start on July 7. Mardiono's announcement ended months of speculation whether Suharto will go to Tokyo for NAM-G-7 talks or not.

He also said that results of the G-7 meeting will be conveyed to Suharto by a special envoy of Japan's prime minister who will visit Jakarta on July 15. Reports from Tokyo said the special envoy probably will be Japan's deputy foreign minister, Koichiro Matsuura.

The decision to go to Tokyo is adopted because the president as the leader of a movement with 108 member countries believes in the importance of the fight for better international cooperation, Mardiono said.

G-7 comprising Britain, Japan, the U.S., Canada, France, Germany, and Italy, according to Mardiono, is very responsive to the call for a more intensive dialogue between the North and the South and it is evident from the group's decision to give a mandate to Miyazawa to talk things over with Suharto, he said.

Analysts said G-7 leaders are reluctant to meet NAM chairman directly because they are too preoccupied with their economic problems and efforts to save Russia. Reportedly they are also afraid that such a meeting will become a precedent in the future.

Suharto's entourage to Japan will include Foreign Minister Ali Alatas, Minister/State Secretary Mardiono, Chairman of the president's Economic Experts Team Wijoyo Nitisastro, and Chairman of the NAM Executive Board Nana Sutresna.

Asked whether the president will also meet U.S. President Bill Clinton, Mardiono said it is possible and also is bilateral meetings with other G-7 leaders. Clinton previously has stated his readiness to meet Suharto. Mardiono admitted that the format of the Tokyo meeting does not fully suit the previous plan.

However, the NAM leader believes that the meeting is the best opportunity to make industrialized countries realize the new approaches of the developing countries towards international cooperation issues, he said. The meeting also opens the door to a more constructive North-South dialogue in the future, he said.

Meanwhile, from Manila KYODO reported that Philippines Foreign Secretary Roberto Romulo said it would be a good idea if G-7 leaders listen to Suharto. It's time for G-7 to focus on the challenges of the NAM, Romulo said adding that I see no reason for them not to see the NAM chairman.

Political Observer Comments on U.S.-Iraq Conflict

BK3006055693 Jakarta ANTARA in English 0414 GMT 30 Jun 93

[Text] Yogyakarta, June 30 (ANTARA)—The conflict between the United States and Iraq should be settled in an international court before the problem gets worse, an observer of international affairs said here Tuesday.

Dr. Budi Winarno of Gajah Mada University said the U.S. missile attack on the Iraqi capital in retaliation for an alleged Iraqi plot to assassinate former president George Bush, was justifiable only if the US was acting on behalf of the United Nations. In a civilized world, all conflicts should be solved by deliberations and therefore it was imperative that the hostilities between the US and Iraq are settled in an international court, he said. According to Winarno, such a settlement would be very constructive in an effort to maintain peace and to avert more horrifying wars in the world.

He also called on the two conflicting sides to refrain from further attacks, and to bring the problem to an international court. He said that if one of them, especially the US as a superpower, remained acting willfully without heeding the rest of the world, other countries which consider themselves strong would follow suit. If such a thing happened, world institutions like the UN and the world court would lose their authority and the world's security situation would deteriorate, he said.

Youth Group Condemns U.S. Action

BK3006073093 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 30 Jun 93

[Text] Indonesian National Youth Committee, KNPI, has condemned the United States for launching an attack on the Iraqi Intelligence Headquarters in Baghdad. In a letter addressed to the U.S. President Bill Clinton, KNPI expressed regret over the U.S. attack. The KNPI said the

attack was inhumane because innocent civilians were killed. The letter was signed by Chahyo Kumulo, and Nelson Edi, chairman and deputy secretary general of KNPI respectively. They called on the United States not to reject the possibility of creating world peace, and at the same expressed the hope that the conflict between the two countries could be resolved through diplomatic channels.

Effect on Oil Prices Viewed

BK3006061093 Jakarta ANTARA in English 0341 GMT 30 Jun 93

[Excerpt] Jakarta, June 30 (ANTARA)—The oil reference price in the next state budget, or in the first year of the sixth five year development (Pelita VI) will be set very carefully and conservatively, considering that the price of oil on the international market may now drop at any time, Minister of Mines and Energy Ida Bagus Sujana told a hearing with parliament here Tuesday. He said although a comprehensive solution of the Iraqi crisis is still not in sight in fiscal 1993/1994, the conflict may have come to an end in the course of Pelita VI. Henceforth, he added, Iraq will resume normal oil production and export the product to the world market, Sujana said.

The world oil need in 1993 is estimated at an average of 65.42 million barrels per day, an increase of 210 thousand barrels per day compared to 1992. On these considerations, he said the reference price of oil should therefore be conservatively fixed in drawing up the next state budget, or in the first year of Pelita VI.

On the basis of this tendency, he added, OPEC's decision to maintain the quota of 23.58 million barrels per day in the third quarter of 1993 was quite realistic.

Sujana said OPEC would in the long run still play a significant role in the world oil business, considering that the Organisation of Petroleum Exporting Countries has been the main suppliers of oil with an export volume of 62 percent of the world's total exports.

If OPEC is dissolved, he said there would no other organisation which would be able to play the role that has been played by OPEC, with the consequence that the price of oil would plunge to a level lower than the current price.

It may be recalled that OPEC in 1986 carried out a policy of dominating the market share by ignoring the quotas. OPEC's market share increased indeed, but at the same time the price of oil in 1986 dropped from 25 US dollars per barrel to 10 dollars per barrel in mid-1986. The price of oil picked up after OPEC by the end of 1986 resumed applying the quota system.

As far as Indonesia as an OPEC member was concerned, he said, OPEC may contribute to the maintenance of the world oil price, while Indonesia would be able to convey the national interest on a world forum.

In the meantime, Director General of Oil and Gas Suyitno Padmosukismo said United States missile attacks on Iraq would not necessarily increase the price of oil to 21 US dollars per barrel, equalling the OPEC reference price, as Iraq has not yet produce oil to its full capacity as the result of the United Nations blockade.

"For this reason, the state's earnings from the oil/gas sector this year would not change much," Suyitno told the hearing on behalf of the government.

Suyitno was responding to a question from an MP [Member of Parliament] with regard to last Sunday's US cruise missile attack on Iraq. He pointed out that the American raid on Iraq was no guarantee that the price of oil would increase, because Iraqi oil supply to the market has still been very small, merely 400 barrels per day.

And with the latest developments, it would be rather difficult for Iraq to resume normal oil production next year, Suyitno said.

"And if this happens, the concern of the OPEC member countries over an oil glut as the result of Iraq's resumption of its oil production, would be eliminated," he said. [passage omitted].

Envoy Questions Australian Purchase of F-111's

BK2906104693 Jakarta ANTARA in English 0956 GMT 29 Jun 93

[Text] Jakarta, June 29 (OANA-ANTARA)—Indonesian Ambassador to Australia Sabam Siagian questioned in Canberra Tuesday the purchase of 15 used U.S. F-111 strike bombers by Australia at a total cost of 96 million U.S. dollars.

He was quoted by REUTER as asking whether the purchase was necessary as it probably would raise possible scepticism (in Asia) about Australia's seriousness in security cooperation.

According to the same report, the aircraft were initially bought in the face of a perceived threat from Indonesia, something which Indonesian top officials had always termed as groundless.

The purchase to buy the F-111 from the U.S. surplus stock already raised some disquiet among Southeast Asian countries when first proposed last October. [sentence as received]

Military analysts said Australia's F-111s are considered the most powerful strike aircraft in Southeast Asia.

Meanwhile from Kuala Lumpur KYODO reported that Malaysia will buy 18 Russian MIG-29 fighter jets and eight U.S.-made F/A-18D Hornet aircraft in a multibillion dollar terms deal aimed at boosting its air superiority, Defense Minister Najib Razak said Tuesday.

Najib said the MIG-29s are for defensive purposes, while the F/A-18Ds will be used for strike and interdiction.

He further said that Malaysia also aimed to buy helicopters.

During his meeting with his Indonesian counterpart Monday, Najib said he saw positive Indonesia's intention to use its military equipment to support and to enhance ongoing joint military exercise between the two countries.

Indonesia recently decided to purchase 39 warships from the former East Germany and 24 Hawks fighter planned from Britain.

Indonesian Defense Minister Edi Sudrajat said Jakarta and Kuala Lumpur understood each other on their respective plans to purchase military equipment for their armed forces.

We also believe that the purchase is simply intended to replace the old equipment, not at a military build up, he said.

Economist: Economy May Grow About 6% in 1993

BK3006075693 Jakarta THE JAKARTA POST in English 25 Jun 93 p 1

[Text] Jakarta (JP)—Indonesia's economy is likely to grow by around six percent and inflation to reach nine percent this year, senior economist Sumitro Joyohadikusumo says.

"But this estimation, based on economic developments during the first six months of this year, will be realized only if the government takes additional measures to consolidate the economy in the coming six months," he said in a ceremony for the opening of an annual meeting of the center for civil servants' cooperatives here yesterday.

The government, under its budgetary plan, expects the economy to grow by six percent this fiscal year with a support of Rp [Rupiah] 50.3 trillion (US\$24.1 billion) in investment from the private sector and Rp 25.2 trillion from the government. It also wants inflation to be checked at a maximum of five percent.

The economy grew by 7.46 percent in 1989, 7.14 percent in 1990 and 6.6 percent in 1991. Last year's figure has not yet been announced by the government but it is believed to be around six percent.

Sumitro, a former cabinet minister who is also chairman of the center, said that the estimated six-percent growth for this year is far higher than the expected growth of industrialized countries, including Japan and the United States.

Japan's economy is estimated to grow by about 2.5 percent and the United States's figure is projected at between one and two percent this year, he added.

A six-percent growth for Indonesia's economy will be adequate to accommodate the country's annual 1.7 percent population growth and 2.3 percent employment growth, the 78-year-old professor said.

Sumitro said the government will likely be able to curb rises in consumer prices in the coming months so that inflation, which reached 6.73 percent during the January-May period, can be controlled at less than 10 percent this year.

Inflation increased sharply from 5.97 percent in 1989 to 9.53 percent in 1990 before declining slightly to 9.52 percent in 1991 and dropping to 4.94 percent last year. However, spurred by increases in prices of public basic needs and affected by natural disasters early this year, inflation reached 6.44 percent during the January-March period alone. Monthly consumer price increases slowed to 0.15 percent in April and to 0.14 percent in May.

"Because inflation has reached 6.73 percent, the government will have a tough job to control it at less than 10 percent this year," Sumitro said.

"I believe the government will make concerted efforts to keep inflation low because a high inflation rate will affect business activities and investment," he said.

50 Students Demonstrate at Parliament Building

*BK3006091593 Jakarta MERDEKA in Indonesian
3 Jun 93 p 1*

[Text] Jakarta, Wed—About 50 students from various institutions of higher learning in Jakarta who are members of the Anti-Violence Solidarity Action Front (GASAK) demonstrated in front of the People's Representative Assembly [DPR] building in Senayan, Jakarta on Wednesday. They were demanding for calm to be restored to their respective campuses.

The demonstrators also distributed pamphlets and placed posters in the lobby and along the stair case of the DPR building. Slogans which read "Stop Military Invasion of the Campus" and "We Do Not Need Military Boots and Steel Helmets in the Campus" were written on the posters.

Reading a statement at the building lobby, they said their visit is due to the disturbances and troubles at several institutions of higher learnings in Jakarta such as Unas [National University], IISIP [Institute for Social and Political Sciences] and IKIP [Teachers Training Institute]. They are lodging their protest against the disturbance to peaceful campus life; the limitation to students' right to freedom of thinking, speech and movement; and the forceful detention of several campus activists without due process.

They said that for these reasons, there was restlessness among students and an anxiety among the academic community. .. "the students are suffering as a result of the invasion, unfair and inhumane treatment by outside

figures who expect students not to voice their dissatisfaction over ill treatment," the statement added.

They condemned the aggressive acts of these figures who unilaterally imposed their authority on the students. They urged the government or the people's representatives to monitor and take action against several incidents that occurred in campuses, so that students are guaranteed a healthy campus life.

On the other hand they called on students to observe restraint and not to challenge the irresponsible groups that are invading the campuses.

Meanwhile, there were more than 10 posters which, among others, read: "Campuses Belong to the Students, Not Oppressors"; "No More Force in Our Campus!"; "Save the Campus from Intellectual Abuse".

The demonstration was peaceful and proceeded without any use of force. No posters and banners were seized. After waving posters and banners for some time, the demonstrators left the DPR building in orderly manner.

Initially, the student went to the DPR building to hold a dialogue on campus autonomy with an Armed Forces faction. However, the Armed Forces faction was having a meeting on the outcome of their working visit last week, and therefore the GASAK delegation failed to meet the parliamentarians. The Armed forces faction promised that 15-40 students could be received at 10.00 West Indonesian time on Thursday [3 June].

Students Protest Military 'Invasion' on Campus

*BK3006091493 Jakarta THE JAKARTA POST in
English 25 Jun 93 p 3*

[Text] Jakarta (JP)—Hundreds of students from the National Institute of Science and Technology marched to the House of Representatives yesterday to protest what they termed the "invasion" of their campus by members of the Armed Forces.

The students of the private academy also asked for the release of 50 others who they claim are in detention.

The students, who met with the chairman of the Armed Forces faction Major General A. Hartono, added that they do not know the whereabouts of 10 of their colleagues who have been missing since members of the Armed Forces launched an "attack" on their campus, which is located at Srengseng Sawah subdistrict, Jagakarsa, South Jakarta.

The missing students are Bowo, Eko, Togar, Kandil, Roni, Boncu, Indrian, Karseno, Feri and Afriansyah Nur.

Henry Akhmal, one of the students, said that military officers had besieged the venue on campus where 100 students were gathered since 2:30 a.m. Thursday by using military trucks, cars, jeeps and motorcycles.

"Without prior attempt for a dialog, the military then attacked the 100 students. It was a great shock to us," he

said, adding that they were shocked by the action because the students were not involved in riots or large scale disturbances.

As reported earlier by THE JAKARTA POST, the 100 students have detained the assistants of the rector, Barmawi and Sukamto, head of the Institute's Center for Public Service Taufik Ahmad Tajudi and head of the diploma program Budi Santoso since Tuesday as part of their protest to demand better workshop equipments and teaching staff.

"They were throwing tear gas, and beat the students with sticks and forced them to enter the military trucks," Henry said, pointing to two empty tear gas canisters and a military insignia which was left at the campus compound.

"This tear gas and badge proved that we have been attacked by the military members," Henry said.

"Many students were crying hysterically and trying to save themselves by running to the small nearby roads, but the military members continued to chase them," he said.

He said that the military members broke the window of the rectorate building to free the staff members.

Hartono said he deeply regretted the incident.

"I really regret this shameful thing could happen today and was done by military forces," he said.

He said the military members should have used a conciliatory approach to solving the problem because no rioting was involved.

He promised the students that he will investigate the accident.

Laos

Spokesman Voices 'Concern' Over U.S. Strike on Iraq

BK2906124893 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 29 Jun 93

[Text] On the morning of 27 June, the United States employed its warships in the Red Sea and Persian Gulf to fire some 23 missiles at Baghdad, capital of Iraq. As a result, some people were killed and a number of houses and other property were destroyed. Regarding this, Vanheuang Vongvichit, spokesman of the Foreign Affairs Ministry gave the following views to reporters on 29 June:

The aforementioned act runs counter to the principles as stipulated in the UN charter on the nonuse of force and the settlement of problems through peaceful means in the international relations. We express concern over the said event.

Anticorruption Committee Issues Report

BK2906123593 Vientiane Vitthayou Hengsat Radio Network in Lao 0500 GMT 28 Jun 93

["Announcement of the central-level ad hoc countercorruption committee on the main contents of Decree No. 87/PM (Prime Minister) dated 7 June 1993, Decree No. 19/PM dated 17 June 1993, and Instruction No. 19/PM dated 19 June 1993 on the organization and activities of the countercorruption ad hoc committees"—dated 26 June]

[Text] Part one: Status, roles, and responsibilities.

1. The ad hoc countercorruption committee, abbreviated as CCC, is an ad hoc, independent organization under the direct guidance and command of the prime minister of the Lao People's Democratic Republic [LPDR].

2. The said ad hoc committee is authorized to directly assist the prime minister and the government to check and settle problems of corrupt practices or any act of violating laws and regulations with the intent of practicing corruption, fraud, and misappropriating state, collective, and public property.

3. The ad hoc committee is authorized to study various rules and regulations and to provide necessary information on various issues for the prime minister to issue decrees for enforcement to manage state employees, money, and other state property with a view to preventing corruption.

4. The ad hoc committee is authorized to coordinate, direct, and probe the ad hoc committees at the provincial level in checking and preventing corrupt practices and to unify activities of countercorruption ad hoc committees throughout the country in accordance with the guidelines of the central-level committee.

5. The ad hoc committee is authorized to coordinate with ministers of various ministries and heads of equivalent organizations attached to the government in setting up ad hoc countercorruption units at the ministerial level. It is also empowered to directly and regularly guide and follow up the said working units in carrying out technical work.

Part two: Duties, rights, and their scopes.

A. The duties of the ad hoc countercorruption committee are as follows:

1. To educate and train cadres, party members, and people to clearly understand work in the political and ideological fields and to encourage them to widely take part in implementing plans and policies of the party and decrees of the prime minister on opposing and preventing corruption.

2. To study and collect basic, factual information on different forms of corrupt practices within the state administrative and management apparatuses and within business organizations of all economic sectors for use as

the basis to organize political and ideological training, consolidate organizational apparatuses, and work out concrete plans on investigation and settlement.

3. To work out a plan for the regular inspection of all targets with basic, factual information on corruption. Regarding this, the inspection must first be made at places or units which the public widely criticizes or complains about, and from where it is apparent that individuals become unusually rich in an easy and quick manner.

4. To study and review various resolutions, instructions, rules, regulations, and principles, which are adopted by the administrative organizations and macro-management branches, and then propose for amendment or abrogation of inappropriate points which create loopholes for corruption; study drafts of new, necessary regulations, rules, and principles for the prime minister to issue decrees for enforcement in order to check and prevent corruption.

5. To coordinate, guide, and probe the provincial-level countercorruption ad hoc committees in the technical field and exchange information with them on the unified implementation of the work; to perfect, consolidate, examine, and follow up the counter-corruption ad hoc units and cadres at the ministerial and equivalent levels to enable them to effectively carry out their activities to check and prevent corruption.

B. Rights and framework of the ad hoc countercorruption committee are as follows:

1. To advise and guide offices, organizations, working units, and individuals in the inspection target, or related offices, organizations, units, and individuals, to provide necessary information for implementation of the inspection work. It also has the right to urge those offices, organizations, and units to appoint technical cadres concerned to take part in carrying out inspection work if it sees this as necessary.

2. To collect evidence and organize to prove facts, through investigation and other methods, about the cases under inspection.

3. To advise and notify the inspection targets to report, either verbally or in written form, or to answer probing questions asked by investigation cadres. Simultaneously, it is also to organize investigations of the cases in the vicinity.

4. To order the temporary withholding or cancellation of documents or property which serve as basic evidence of corruption for use as information and testimony to conclude and assess the results of the investigation.

5. To order the temporary suspension of and then to investigate the working process or performances of individuals who are seen as causing loss to the benefits of the state and the people.

6. To order a temporary halt to implementing the resolutions on the implementation of discipline and the transfer of work and duty of individuals who are involved with the investigation or who are the investigation targets themselves if the said resolutions are seen to create an obstruction to the investigation.

7. To give a warning to or to order the temporary suspension of the working performances of investigation cadres who fail to comply with the instructions of the ad hoc countercorruption committee or concrete investigation units.

8. To review and assess the results of the anticorruption investigation to determine the level of fault and disciplinary punishment, and then issue resolutions on disciplinary action in a civil suit to be taken against the offenders in accordance with the regulations of the executive branch and the law of the state.

9. To submit files of the investigation and the corruption case of the offenders to the public prosecution organization for the court to take legal suit and to pass imprisonment judgment if the case is also considered criminal.

10. The ad hoc countercorruption committee maintains the right to correct or cancel the assessment and resolutions made by the ad hoc countercorruption units of cadres at the ministerial level if it sees that those assessments and resolutions are based on incorrect information. It can then order a reinvestigation of the case.

Part three: The organizational structure of the ad hoc countercorruption committee.

1. The central-level ad hoc countercorruption committee comprises nine persons—one chairman, one deputy chairman, and seven members—who are directly appointed and directed, in each step, by the prime minister. It is also composed of 25 to 30 technical cadres and three working units—the executive and financial unit, the grievance studying and information collection unit, and the anticorruption investigation working unit.

2. The provincial-level ad hoc countercorruption committee comprises three to five members. It is also equipped with seven to 10 cadres with standard qualifications, who are directly appointed and directed by provincial governors.

3. In various ministries and equivalent organizations, ad hoc units attached to the ministries or equivalent organizations are established. Each unit comprises three to five members who are directly under and directed by the minister of each ministry. As for the central-level ad hoc countercorruption committee, it is empowered to inspect and follow up activities of the said working units on a regular basis.

4. In the grass roots of districts and provinces and in the business production units and various technical units of the state where the management of a large amount of revenues of the state is involved, units of coordinating cadres, with two to three members for each unit, are to

be set up to check and prevent corruption. The coordinating units are appointed and directed by the ad hoc countercorruption committees at the central and provincial levels together with ministers.

[Signed] The central-level ad hoc countercorruption committee

[Dated] Vientiane, 26 June

Philippines

Romulo Voices Support for U.S. Bombing of Iraq

HK3006013993 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 29 Jun 93

[Text] Foreign Affairs Secretary Roberto Romulo said the U.S. bombing of Iraq should teach Iraqi troops a lesson. He also said the attempt on former U.S. President Bush's life is proof of the growing trend of terrorism, which the Philippines condemns. Romulo's statement contradicts earlier pronouncements made by Malacanang, which was careful not to openly air support for the United States' actions, which led to the death and injury of several civilians.

Despite the foreign affairs secretary's statement, the Department of Foreign Affairs, however, has expressed its sadness over the incident.

Unit To Join UN Team in Iraqi Kurdistan

HK3006014693 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 29 Jun 93

[Text] The Ramos government is planning to send a 50-man Armed Forces team to Iraq to be part of the United Nations contingent assigned to protect the Kurdish minorities located in the northern part of the Gulf state. Both the Department of Foreign Affairs and the Department of National Defense made this recommendation in response to a request made by the UN Department of Humanitarian Affairs' Special Unit for Iraq, through the Philippine mission in Geneva.

In his memorandum to President Ramos, Foreign Affairs Secretary Roberto Romulo said the Filipino soldiers will be posted in Kurdistan, in the northern part of Iraq, for six months and will be receiving \$135 per day, with free return fare to the Philippines.

Bomb Blast Injures 56 at Mindanao University

HK3006030693 Hong Kong AFP in English 0240 GMT 30 Jun 93

[Text] Cotabato, Philippines, June 30 (AFP)—A homemade bomb ripped through a crowd of university students milling outside a school gymnasium near this southern city late Tuesday [29 June], leaving 56 people injured, police said Wednesday. The attack occurred at the Mindanao State University campus in General

Santos City as the students lined up at the gym entrance to attend a student mixer party, Superintendent Raul Pomperada told reporters.

No group immediately claimed responsibility for the bombing, and police said they had no immediate suspects. Pomperada said many of the victims had serious shrapnel wounds. He said the bombing was preceded by an argument between an unidentified man and a security guard detained at the building entrance to check personal belongings of the partygoers. The explosive was lobbed into the crowd, he added.

Quezon Radio Reports

HK3006052093 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 0400 GMT 30 Jun 93

[Text] One was confirmed killed and approximately 60 students were injured at Mindanao State University [MSU] in General Santos City when an explosion occurred during a student mixer last night at the MSU Gym.

Chief Superintendent Saturnino Medina, Central Mindanao regional police commander, said his men are still trying to determine the motive behind the violence. Initial investigation has shown that a man was seen trying to get past security into the gym. After several minutes, a strong explosion was heard. It has not been determined whether it was a bomb or a grenade.

Yesterday, a bomb exploded inside a North Cotabato Transportation Company bus. Meanwhile, two men were arrested in Kidapawan, North Cotabato, after police found a grenade and a .38 caliber revolver in their possession. They were identified as Antonio Elok and Requerne Badajos, both members of the security force of Mayor Ibrahim Taglas of Maguindanao.

Thailand

Paper Criticizes Clinton for Baghdad Attack

BK3006090793 Bangkok NAO NA in Thai 30 Jun 93 p 3

[Column: "Front Line Report"]

[Excerpts] Baghdad residents were suddenly awakened at 0200 on 28 June by 23 Tomahawk cruise missiles flying thunderously over their roofs to bombard the Iraqi intelligence office. As a result, eight innocent civilians were killed by three stray missiles. [passage omitted]

During the past few months, President Clinton's popularity among the Americans has plunged to an alarming and unprecedented low. The results of several polls indicated that Mr. Clinton is unable to revive the U.S. economy as he promised to in his election campaign. Meanwhile, he is overwhelmed by various difficult internal problems such as those on tax policy and the trade deficit with Japan.

In his attempt to divert the people's attention from the increasing domestic problems, Mr. Clinton resorted to foreign affairs. This tactics was successfully used by many former U.S. presidents.

Prior the latest presidential election, former President George Bush was also confronted with the low popularity problem caused by the protracted economic recession. [passage omitted]

Former President John F. Kennedy also used the same tactics to save his country's face during the Cuban missile crisis. Kennedy too was able to salvage his popularity after trying to tackle the problem for some time.

The outcome of the Baghdad raid was not bad for President Clinton. The latest poll jointly conducted by THE NEW YORK TIMES and CBS television network showed that soon after the 28 June missile attack, Clinton's popularity jumped from 39 to 50 percent. Moreover, 52 percent of the 1,363 respondents believe that President Clinton possessed a strong personality and is qualified to lead the country.

Part of President Clinton's success is based on the blood and tears of the Baghdad people. Although only eight civilians were killed, the death of one innocent person can be regarded as a tragedy.

Moreover, the excuse that the missile attack was aimed at avenging the assassination plot against former President Bush does not hold any water. If the U.S.' excuse is regarded as justifiable, the world court of justice is then meaningless. Why did the United States choose to use force instead of allowing the 17 suspects arrested in Kuwait to be tried? It was the eight innocent civilians, not the 17 suspects or President Saddam Husayn, who suffered from the missile strike.

According to the same poll, President Clinton has not yet extricated himself from the difficult situation because half of the respondents say that they are not satisfied with the way he is handling the country's economy.

In fact, President Clinton should soon launch another offensive against Iraq. Perhaps, this time, his popularity among the American might exceed that once enjoyed by former President Bush.

Commentary Examines U.S.-Asian Relationship

*BK3006031193 Bangkok THE NATION in English
30 Jun 93 p A6*

[Commentary by Kawi Chongkitthawon: "U.S. and Asia must see eye-to-eye"]

[Text] In the past, Asia listened to the United States without much thought and followed earnestly Washington's lead in almost every field. Fortunately nowadays things are different. Asian countries are talking back to the US and want to be seen as partners. They are also questioning American wisdom and ways of handling

issues. At the same time, Asia is more confident and mature. Coupled with economic prosperity, Asian countries want to shape their own destiny and keep their future in their hands.

But given the interweaving nature of the US-Asian relationship, especially in the past four decades, more and more ongoing discussions among officials and academics in the region are concentrated on ways to accommodate the peculiarities of the two sides across the Pacific. At one such meeting last week, organized by the Asia Foundation, three dozen experts and academics from the US and Asia held a two-day closed-door discussion on the American role in Asia. During the meeting, they brought up their expectations and differences in perceptions as well as in culture and history that could become obstacles to the improvement of relations between the US and Asia.

Previously, economic and security issues used to dominate any discussion on US-Asia ties. Now however, the nagging issue of human rights and democracy has increasingly gained currency, becoming an indispensable topic that could make or break any future linkage.

At the moment, Asian countries do have a common position in the area of security. It has already been accepted that US presence is required for the time being in the Asia-Pacific region while regional countries try to figure out future security arrangements. However, the end of the Cold War and the absence of the Soviet threat has made a future US presence uncertain. Realizing Asia's anxiety, Washington has reassured that its military presence will continue for stability and prosperity in the region.

To enable the US to sustain its presence in the region, both US and Asian academics and officials are saying Asian countries should do more to share the security burden, which was carried all along by the US in the past because of its competition with the former Soviet Union. The US is no longer in the position to finance its presence in the region.

Under the new US administration of President Bill Clinton, Washington has expressed support for a regional security dialogue. Some of the US officials have said that the US would be open-minded in discussing future regional security arrangements. In the past, the US only supported bilateral security ties, which could best serve its interest. While the US urged Asian countries to take more care of their security Washington has insisted that the US-Japan security alliance is still the main pillar of the security arrangement in the future. Some American academics argued that the alliance would help calm the Asian fear of Japan's rearming effort and prevent China from becoming a military power in the future.

In layman's terms, what the US has been saying is very simple: If the US withdraws from the region, Asian countries would not be able to take care of themselves as they do not trust each other. They could engage in an

arms race. Countries like Japan, China, India and South Korea could easily join the competition.

Apparently, there is no discussion, let alone consensus, among Asian countries whether Asian security could be managed and best protected by Asians. Suffice to say, Asian countries want to keep to the current status quo of the existing military balance and the US presence while contemplating the future security framework, with or without the US.

In the effort to encourage the US to stay in the region, Asian countries now realize that they have to pay a price. The price is not the necessary measures in financial terms such as the fee to sponsor the US presence like what's happening in Japan and South Korea but rather to open their closed markets to US products.

Market access is a priority issue for the Clinton Administration. Like it or not, it is closely linked to other aspects, especially the security area, in US-Asian relations.

Within Asia, Singapore has advocated the view that Asian countries should widen their market for US products to help reduce the current four trillion dollar trade deficit. The island republic said that it is the effective way to engage the US in the region because Asia can help in the US economic recovery.

Of late, Asian academics and officials have expressed concern over the widespread anti-Asian sentiment in the US epitomized by articles and appeals calling for the US retaliation against Asian countries, particularly Japan, which have restricted US imports. In short, some Americans have perceived Asian countries as the main threat to the US, instead as new challenge.

At the moment, the US has enjoyed more trade volume with Asia than its traditional markets in Europe. By the end of the century, the US trade volume with Asia would be double the present level.

Apart from economic and security issues, both the US and Asia are still at odds over human rights and democracy. Most of the American and Asian academics and officials agreed that this will be the area that conflicts between the two sides could occur and persist. If anything, it is in the field of human rights and democracy that the Asian countries feel strongly against the West and the US. They share the common position that the Western view on human rights and democracy is not suitable for Asian countries.

Asian countries are now using the so-called "Asian ways" to counter the West. However, there is no uniform pattern of thinking in Asia about human rights and democracy. Some Asian countries are more serious in respecting human rights and observe democracy than others. Quite a few countries get around with their rhetorics. So far, Japan is the only Asian country that has identified with the West. China, Singapore and Indonesia, for instance, have argued that their way of dealing

with human rights, which is of universal value, and democracy are to be respected, though different from the Western norm.

They said the concept of good governance should be the gist of democracy, especially within the Asian context, meaning attention to the well-being of the community over that of the individual. Although the US and Asia still have a long way to go before they could accept each other as they are, their common destiny in economics and security dictate that they be more understanding and flexible in handling the sensitive human rights and democracy issue.

Army Considers Russian Helicopter-Rice Debt Deal

*BK3006025993 Bangkok THE NATION in English
30 Jun 93 p A3*

[Text] RUSSIA has offered its advanced MI.17-V helicopters to the Thai Army in exchange for Thailand writing off what Russia owes for the purchase of rice, a source said yesterday. The offer seems to have caused hesitation among decision-makers in the Army who have been favouring US-made Bell 212 helicopters, said the source, who asked not to be named.

"The high-level people in the Army now have to think real hard," the source said.

"The MI.17-V is a good quality helicopter and it's cheaper. Although Bell still has the best chance of winning the deal, the Russian offer has really come as a wild card." The Bell 212, MI.17-V and the Black Hawk, which is also made in the United States, are the final three candidates for the Army's planned procurement. There has been strong speculation the Bell Helicopter is expected to win the deal to supply 20 helicopters to the Army.

Russia owes Thailand US\$65 million for the purchase of more than 500,000 tonnes of Thai rice.

"If the Army decides to take the Russian offer, it will practically help the Thai government solve the debt problem," said the source.

The Thai armed forces have continued buying Bell helicopters, although the model purchased is no longer in service in the US armed forces.

Bell has formed the bulk of the helicopter fleet of the Thai Army, which has turned down offers of more sophisticated models from other manufacturers.

According to the source, the Army aviation centre where the new helicopters will be deployed will be a crucial variable influencing the Army's final decision.

"If the centre says there's no problem concerning Thai pilots' unfamiliarity with the MI.17-V and expresses confidence about maintenance and availability of spare parts, it's likely Russian helicopters will be commissioned by the Thai Army," the source said.

Army chief Gen Wimon Wongwanit on Monday insisted that the Army had not made any decision regarding the helicopter purchase, and lashed out at the press for having been "used" by arms agents.

Burmese Refugees Seek Refuge on Border

BK2706040593 Bangkok THE SUNDAY POST in English 27 Jun 93 p 2

[Text] A large number of Burmese have left their villages to seek refuge along the Thai border to escape food shortages in the Mon and Karen states across from Mae Sot and in Mae Hong Son.

Karen Refugee Committee [KRC] officials said the number of refuge-seekers since October might be as high as 100,000.

The refugees are from more than 100 villages in Thaton of Mon State and Hlaing Bwe, Paing Kyone, Shwe Gun Kama Maung and Ka Daing Ti in Karen State opposite Tak and Mae Hong Son.

The Burmese refugees arrive at more than 10 border refugee camps on an average at 1,200 people a month and many stay a few days before leaving.

"They stay here for two or three days before travelling on and we do not know their destinations," a KRC official said.

Most of the refugees who came from the six Burmese towns said they left their birthplaces because of unemployment, high prices of essential goods and food and the scarcity of these commodities.

"The prices of rice are high but worse still is that there is not enough to buy," the official quoted the refugees as saying.

The large influx has resulted in a shortage of relief items at the refugee camps along the border.

The KRC officials said that some of the refugees are believed to have illegally sneaked into Thailand to find jobs in bordering provinces and in further provinces, including Bangkok.

Some of the refugees told KRC officials they had left their villages to avoid being conscripted as porters.

Their homes are located along routes used by the Burmese military to attack Karen rebels at the Thai border, they said.

Sometimes, the villagers were forced to sleep in military camps when Burmese military leaders suspected they would be attacked by Karen rebels.

Several villages have been deserted because of the villagers' fear of being recruited to carry weapons for the Burmese military, one of the refugees was quoted as saying.

Burma Plans To Cut Fishing Rights

BK3006024593 Bangkok BANGKOK POST in English 30 Jun 93 p 17

[Text] ONLY two weeks after its decision to scrap the 47 Thai timber logging concessions along the Thai-Burmese border, the Burmese Government has dealt another blow to the private sector with a plan to cancel fishery rights granted to Thai fishing firms. According to knowledgeable sources, the Burmese Government decided to cancel the fishery rights because it felt it was disadvantaged by the contracts signed with Thai fishing firms. Moreover, it said it was difficult for it to control Thai vessels entering its waters for fishing.

The Burmese Government recently showed signs of its intention to cancel the rights by imposing a measure described by the Thai side as aimed at forcing them out of the business. The measure reduced the fishing time period from 41 days to 2 days per trip for each licence, while the licence fee was sharply increased.

Sources said the moves made it very difficult for Thai companies to commercially fish in Burmese waters.

The Fishery Association of Thailand plans to discuss solutions to the problem soon.

Burma yesterday confirmed that it would scrap the 47 Thai timber logging concessions this December because, it claimed, Thailand had helped minority groups living in the concession areas and because the Burmese forestry minister was dissatisfied with Thai diplomatic protocol after being invited here to discuss options for extending the licences. The minister was invited to meet with Deputy Agriculture Minister Suthep Thuaksuban, instead of Agriculture Minister Nippon Phromphan.

Mr Suthep said Burma had the right to protect its resources by ending the timber concessions, but said he would ask the Burmese for their real reasons for cancelling the concessions.

He insisted Thai companies had never supported minority groups in their fight against the Burmese Government and said he would tell the Burmese, if he was given an opportunity, that Prime Minister Chuan Likphai had asked other countries not to place embargoes on Burma.

Mr Suthep said he had signed the invitation letter because he was directly responsible for forests. It was up to the minister whether he wanted to talk to him. He was available to hold the talks in Burma if the Government so desired.

"If Burma cancels the Thai timber concessions, Thailand will seek timber concessions in other countries such as Malaysia. But the Agriculture Ministry has prepared timber sources for the next 10 years," he said.

Before the Burmese announcement, the confederation representing the 47 Thai concessions received a list of new conditions from the Burmese Government, under

which the timber concessions would be offered to Burmese interests for 2-3 years. The operators would not be permitted to transport the timber through the 20 check points into Thailand.

Thai companies would be allowed to form joint ventures with Burmese firms to invest in sawmills or plywood factories. The confederation asked the Agriculture Ministry to talk to the Burmese about the issue.

Premier on Burma Halting Timber Concessions

BK3006041693 Bangkok Radio Thailand Network in Thai 0000 GMT 30 Jun 93

[Text] Commenting on the report that Burma will cancel timber concessions to Thailand, Prime Minister Chuan Likphai said he has been aware of the planned change in the Burmese timber concession policy for some time, but Burma did not specify which country would be affected. He believes that the new Burmese policy might be aimed at increasing the value of its exported timber, which to date has been in form of logs. He thinks Burma will continue to export timber, but in form of processed wood. This is fully within the right of any country to do. In any event, Thailand does not buy timber solely from Burma. For example, it also buys timber from Malaysia.

Deputy Premier on Harmonizing Regional Trade

BK2506031793 Bangkok THE NATION in English 25 Jun 93 p B3

[Text] IN a speech to the Eighth Asean Federation of Accountants Conference, Deputy Prime Minister Suphachai Phanitchaphak yesterday called for the harmonization of Asean accounting practices to help benefit Afta (the Asean Free Trade Area).

Speaking at the "Afta: New Challenges for Asean Accountants Conference", Suphachai said that Afta not only allowed for a free flow of trade and investment within Asean, but also helps harmonize the regional capital market.

"As a result, the more unified accounting practices are, the better resources international traders and investors can get to make decisions," he said.

According to Suphachai, three reasons underline the needs for the harmonization of accounting practices to promote the success of Afta.

Firstly, Asean needs standards for systematic trade information throughout the region as they are helpful for local businesses and conducive to regional joint ventures and mergers.

"It's ironic that we have a lot of trade data between ourselves and the US and EC, but we know so little that goes on in our own backyard," he said.

With the sheer size of Asean as a regional market, the need to provide creditable and transparent accounting information in industrial sectors is greatly needed, Suphachai said.

"There seem to be questions which are always asked by investors: what, where and which sectors should we invest in? But what sources of information are at hand?

"There is a need to improve standards and move in line with international norms, informing the public where to invest."

The final reason, he claimed, is because the proposed Afta adjustment fund aims to make firms undergo rationalization processes in order to stay competitive in the regional market.

"As adjustment itself is a difficult task, accurate, precise and competent financial results of firms need to be adjusted to provide the necessary, transparent backgrounds and make workloads lighter," he insisted.

He proposed specific areas where he thinks Asean harmonization of accounting practices should take place. They include the presentation of the financial status of companies within Asean methods of asset evaluation, methods of consolidation, and revenue recognition.

In line with accounting harmonization, Suphachai also lauded uniform standards of regional information, especially those linked to Asean stock exchange markets.

"Its only through having the correct information to hand that investors can make good decisions." He also urged for more of an accounting role be taken in determining the rule of origin factor, a major factor for the initial success of Afta.

Under Afta's rule of origin, 40 per cent of a product's value must have local content, either from individual countries or accumulated from various Asean nations.

"With proper auditing and accounting systems, we can effectively measure whether the contents are 40 per cent Asean-made or not," he explained.

However, he pointed out that the problems of determining local contents among the Asean six have intensified as Asean has not yet accepted substantially processed products as having local content. And he admitted that did not expect the changes to take place soon.

"It takes time as accounting is a delicate procedure confined to specific groups of professionals in each country. So it is more difficult to change," he said.

However, he warned that both Asean and Thai adjustments to the Afta agreement are more than necessary as the Gatt's Uruguay Round of world trade talks might well conclude by the year's end.

"If the Uruguay Round concludes at the year's end, and it is likely to, countries have five years to adjust to the

agreements to stay competitive in the world market. The time-frame is even shorter than Afta's (which is 15 years)," he said.

"Consequently, if we begin with Afta now and do our best, we are effectively preparing ourselves both at regional and international levels," commented Suphachai.

Government Borrows Rice To Meet Philippines Deal

*BK2506030193 Bangkok THE NATION in English
25 Jun 93 p B2*

[Text] THE Thai government will borrow rice from four major rice export firms after failing to collect enough rice to make up a deal it struck with the Philippines government.

According to Nippon Wongtra-ngan, director of the Marketing Organization for Farmers, the government will borrow 6,500 tonnes of rice from Sun Hua Seng Co Ltd and the same amount from Krung Siam Rice Co Ltd. Kaset Phaisan will chip in 2,000 tonnes and Kichaphon Co Ltd will lend it an undisclosed amount. The government will borrow 35-percent rice from the four companies and later process it into 15-per-cent rice.

A combined 15,000 tonnes of Thai rice is to be delivered to the Philippines government today in a rice-for-fertilizer deal. Thailand has to ship a total of 150,000 tonnes of 15-per-cent rice to Manila before July 15.

The government will pay the export firms the cost of improving the rices' quality. It is expected to ship the second instalment to Manila on June 28 and the last one next month.

Earlier this week, Cabinet assigned the Foreign Trade Department to take responsibility for shipping 30,000 tonnes, the Public Warehouse Organization 40,000 tonnes, and the Bank for Agriculture and Agricultural Cooperatives and Marketing Organization for Farmers a hefty 80,000 tonnes.

Commerce Ministry Adopts New Quota Method

*BK3006032993 Bangkok BANGKOK POST in English
30 Jun 93 p 26*

[Text] THE Commerce Ministry has announced garment quotas will be allocated under the drawing (ballot) method, with the condition that any exporter who draws a quota must pay a specific amount to the industry for future development.

The system will be used for the so-called supplementary quotas for garments shipped to the United States—or extra quotas made available by the growth rate allowed for each year under the agreement with the US, quotas remaining after the basic allocation and quotas taken away from exporters as punishment.

Quotas for garments including knitted cotton shirts and blouses, knitted man-made-fibre shirts and blouses and cotton trousers and shorts will be allocated under this method in July.

Commerce Minister Uthai Pimchaichon said the quota for those categories was much in demand and usually bought by exporters for a very high price.

The ministry had devised the new system in order to prevent quota buying. The names of exporters would be drawn under a ballot system, but the exporters had to pay a specific amount to the proposed Garment Development Institute.

Mr Uthai said the money paid to the institute would be used to upgrade the industry to produce high value-added products.

He said the ministry would divide the quotas into lots of 1,000-1,500 dozen. The amount paid by exporters for the institute would be below what they had previously paid when buying quota from other exporters.

Foreign Trade Department director-general Charae Chutharatkun said the supplementary quotas allocated under this method would not be counted as basic quotas the following year, so the amount of supplementary quotas would become greater each year.

The ministry would select exporters who qualified for the drawing by examining the quotas they still had on hand. If they had large amounts of quota on hand, they would not qualify. He said the ministry had invented the transparent and fair system in the belief that it would benefit the country in the long term.

Mr Uthai said the ministry decided not to auction the quotas as that system pushed up the price of the quotas and therefore exporters' costs. It was not the ministry's aim to collect money from exporters.

Thai Garment Manufacturers' Association president Wirot Amatakunchai said it was acceptable in principle for the money collected from exporters to be used to develop the garment industry. But the amount exporters had to pay was still unclear, he said.

Detained Vietnamese Fishermen To Be Repatriated

BK2306093193 Bangkok Radio Thailand Network in Thai 0530 GMT 23 Jun 93

[Text] The Foreign Ministry has received a report from the Thai consulate in Ho Chi Minh City saying that Vietnam will release 176 Thai fishermen and reduce their fines by 40 percent. The Kien Giang Province will reduce the fine to U.S. \$400 each, while the Minh Hai Province will charge U.S. \$500 for the release of each Thai fisherman. Thailand will release 26 Vietnamese fishermen who have completed their sentences in Songkhla Province. The ship Chulaphon will transport

these Vietnamese fishermen to Kien Giang Province and bring back Thai fishermen, returning to Songkhla Province on 25 June at 1700.

Meanwhile, the Thai Government has decided to pay the fines for the Thai fishermen in advance and will collect the sum from ship owners later. The navy, Fishery Department, and private sector officials will accompany the ship taking released Vietnamese fishermen home. They will discuss fishing cooperation and technical assistance with Vietnamese officials as well as clarify the question of territorial waters, particularly the economic zone.

Fishermen Released From SRV Remain 'Defiant'

BK2606024493 Bangkok THE NATION in English
26 Jun 93 p A3

[Text] The 168 Thai fishermen imprisoned in Vietnam returned to Thailand yesterday in a defiant mood, declaring they would fish again in Vietnamese territorial waters. The fishermen sailed into Songkhla on board the Chulaphom survey ship after the Thai government paid a total of US\$100,800 (or \$600 each) to Vietnam for their release.

The owner of a Thai ship, the Sinsamut 2, which had escorted Thai officials to Vietnam to negotiate the release of the fishermen, had to pay an US\$18,000 fine to bring his ship back to Thailand. Sinsamut 2 and its eight crew will arrive in Songkhla province tomorrow.

The fishermen said upon arriving in Songkhla that they would return to Vietnamese waters because the sea was abundant in fish, while it was difficult to find stocks in Thai waters now. Asked if they were afraid of being imprisoned again, they said it was the duty of the ship owners to pay the fines to Vietnam and bring them back. Their duty, they said, was fishing.

Thai officials had taken 26 Vietnamese fishermen, who had completed their jail terms in Thailand, back to their country in exchange for the 168 Thais. The officials said 140 of the Thai fishermen had been imprisoned in Kien Giang prison and 28 in Bin Hai prison. The first group of Thai fishermen were arrested in December, and the second group were arrested in April. Though they sailed out of Samut Prakan, most of them are from the Northeast.

A doctor who examined them on the ship said he did not know if any were inflicted with the HIV virus as he did not have the proper equipment on board to check. He said they were mostly suffering from skin diseases and colds.

Meanwhile Plotprasop Suratwat the director general of the Fisheries Department who led the officials on board the Chulaphom, yesterday said he had negotiated a cooperative fishing agreement with his Vietnamese counterpart. Vietnam, he said, will allow Thai fishermen

to operate in the seas off three provinces—Kien Giang, Bin Hai and Hao Giang, the nearest provinces to Thailand.

Plotprasop said allowing Thai fishermen into the areas might reduce the problem of intrusion into Vietnam's territorial waters.

In July, he will send 12 fishing vessels registered as the property of Thailand-Vietnam Fisheries Co, the company formed for Thai-Viet fishing cooperation, to the areas.

Vietnam

Hanoi Urges Lifting of U.S. Trade Embargo

BK3006124093 Hanoi Voice of Vietnam in English
1000 GMT 30 Jun 93

[Station commentary]

[Text] A dialogue has been held in New York about the situation in Vietnam by a group of Americans of Vietnamese origin. The theme of the dialogue was reconciliation, reconstruction, and development. The dialogue was sponsored by the Volunteer Americans of Vietnamese Origin and some private organizations in the United States from January 25 to 27.

Fifteen young Americans of Vietnamese origin, many of them doctors and academicians came from 40 states to attend the meeting. Participants expressed their desire to contribute talents and efforts to the development of education, technology, social and humanitarian issues, trade, and investment in Vietnam.

It is a new expression of these Vietnamese who turn their thought to their homeland, contributing to promoting relations between Vietnam and the United States.

Vietnam-U.S. relations have been mellow particularly since last December when the United States Administration eased the restriction of its trade embargo allowing American businessmen to come to Vietnam to sign contracts and set up representative offices. Dozens of groups of American businessmen have come to Vietnam. In early March 1993, the Bank of America set up its first representative office in Vietnam. The Vietnam-American Trade and Investment Consulting Company VIETATICO has established its office in Hanoi and [words indistinct] has received the license for its representative office in Hanoi. These companies are interested in supplying machines and equipment to many infrastructure projects in north Vietnam. At present, [words indistinct] has also planned to open an office in Ho Chi Minh City.

These are positive steps taken by the United States in its relations with Vietnam. However, it is not enough for the

large segment of the Americans, particularly businessmen. They continue demanding that President Bill Clinton completely lift the embargo and normalize relations.

Last week, a group of officials representing both the Republican and Democratic Parties led by former U.S. Secretary of State Edmund Muskie urged President Clinton to put an end to the trade embargo. In a recent statement, Mr. Muskie said following his visit to Vietnam in April this year, many members of American delegations (?agreed) to the conclusion that the lifting of the embargo will better serve U.S. interests.

Meanwhile, Mr. (Hiches), vice chairman of the U.S. Trade Council in the Asia-Pacific Region said the lifting of the embargo was urgent. This view is shared by many of his colleagues. He also made known that in the coming meeting with the U.S. Administration he and his colleagues will bring pressure on Washington to end the embargo and not to block Vietnam joining the International Monetary Fund. They claimed the trade embargo caused losses to American businessmen. Mr. (Hiches) said Asian and European countries are gaining much benefit in doing business in Vietnam whose economy is developing rapidly. The world is waiting for a positive answer from the U.S. Administration to end the trade embargo.

Cooperation Wanted With U.S. Oil Companies

BK3006050493 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 29 Jun 93

[Text] Dr. Ho Si Thoang, director general of the Vietnam Oil and Gas General Corporation, reveals that at present 24 foreign oil and gas companies are participating in prospecting or bidding for prospecting for oil and gas exploitation in Vietnam.

However, American oil and gas companies which are well-known worldwide have been absent. Vietnam wishes and is willing to cooperate with the American oil and gas companies in prospecting for and exploitation of oil and gas in the future.

Seminar Held With Japan on Optic Fibre Cables

BK2906143993 Hanoi VNA in English 1406 GMT 29 Jun 93

[Text] Hanoi VNA June—29 - [dateline as received] A seminar on the KDD undersea optic fibre cable technology was held here today jointly by the General Department of Post of Vietnam and the KDD Undersea Optic Fibre Cable Company of Japan.

Taking part in the seminar were more than 50 representatives of the State Planning Committee, the State Committee for Cooperation and Investment, the government's office and the Ministries of Defence and Interior.

Japanese experts presented to the participants the technology of undersea optic fibre cable in the Asia-Pacific

region, more particularly the project of laying an undersea optic fibre cable system called T-V-H linking Vietnam, Thailand and Hong Kong.

Reportage on Vo Van Kiet's Visit to Germany

Relations With Germany Reviewed

BK2906141293 Hanoi Voice of Vietnam in English 1000 GMT 28 Jun 93

[Text] The Federal Republic of Germany is the second leg of the European trip by Vietnamese Prime Minister Vo Van Kiet. German Ambassador to Vietnam Jurgen Elias said the main purpose of this visit is to meet with the German president, the chancellor, foreign minister, chairman of the parliament, and the minister for economic relations. Following is our radio review on relations between Vietnam and Germany over the recent years:

During his stay in Germany, Mr. Vo Van Kiet not only plans to meet senior German leaders, but also to visit the Association of the German Federal Industries, the Chamber of Industry and Commerce, the (?East Asia) Association, and some big companies and corporations. It is expected that the agreements on aviation, navigation, and double taxation avoidance will be discussed in detail between Vietnam and Germany.

The German ambassador further noted: This visit to Germany by Prime Minister Vo Van Kiet highlighted the mutual interests in the relations between Germany, the European Community, and Vietnam.

During his visit to Vietnam early this year, German Foreign Minister Klaus Kinkel voiced his country's support for Vietnam to rejoin and borrow loans from international financial organizations.

In the last two years, the relations between the two countries have been developed in many fields, particularly in economic cooperation. At present, about (?40) German companies have representatives in Vietnam and have participated in many agricultural and industrial development projects. The total value of bilateral goods exchanges last year was more than 400 million deutsch marks and that of Vietnam's export to Germany was four times bigger than Germany's export to Vietnam. In addition, cultural, scientific, and technological exchanges between Vietnam and Germany are increasing. These reflect the stronger development ties between the two nations, and of course, this visit by Prime Minister Vo Van Kiet is another important event in the Vietnam-Germany relations.

Arrives in Bonn 29 Jun

BK2906143393 Hanoi VNA in English 1346 GMT 29 Jun 93

[Text] Hanoi VNA June 29—The high-level Vietnamese Government delegation led by Prime Minister Vo Van

Kiet arrived in Bonn at noon today, beginning an official visit to Germany at the invitation of Prime Minister Helmut Kohl.

The delegation was greeted at the prime minister's office by Prime Minister Helmut Kohl, Dr. Eduard Ackemann, department chief at the prime minister's office, and Vice Admiral H.P. Veyher, and other high officials.

On the previous day, after their arrival in Germany from France P.M. Vo Van Kiet and his party visited Hamburg Liberty Port and the newly inaugurated aircraft manufacturing factory Aerospace Airbus. In Hamburg, the Vietnamese leader received Dr. Volker Jng [name as received], member of Siemens Presidium, the leadership of the Asian-Pacific Business League and the Presidium of the Chamber of Commerce of Hamburg.

Activities in Germany Reported

BK3006114693 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 29 Jun 93

[Telephone report on Prime Minister Vo Van Kiet-led government delegation's activities in Germany by station correspondent Dinh Khai]

[Summary] Dear friends, at the invitation of German Chancellor Helmut Kohl, an SRV Government delegation led by Prime Minister Vo Van Kiet arrived in Hamburg on 28 June for an official visit to the Federal Republic of Germany.

"During his one-day stay in Hamburg, Prime Minister Vo Van Kiet and his entourage met with Dr. Hanzing Fozer, premier of Hamburg; visited the Hamburg Liberty Port and the Aerospace Airbus Factory; and received Dr. Volker Jung, member of the Siemens Presidium; and Mr. Habel Ziguler, executive secretary and Presidium member of the Asia-Pacific Business League."

On 29 June, the Vietnamese Government delegation arrived in Bonn to continue its official visit to the Federal Republic of Germany.

"An official welcoming ceremony was held at the German Prime Minister's Office for the Vietnamese delegation. Chancellor Helmut Kohl personally welcomed Prime Minister Vo Van Kiet in front of his office and introduced him to high-ranking German officials. Prime Minister Vo Van Kiet then introduced his German counterpart to members of the Vietnamese delegation.

"Afterward, Chancellor Helmut Kohl invited Prime Minister Vo Van Kiet to the honor stand while the military band played the national anthems of both countries.

"After the official ceremony, German Chancellor Helmut Kohl and Prime Minister Vo Van Kiet held talks

in Kohl's office. The official visit to the Republic of Germany by the SRV Government delegation will conclude on 30 June."

Joint Exchange of Fishermen With Thailand Held

BK2906065293 Hanoi VNA in English 0623 GMT 29 Jun 93

[Text] Hanoi VNA June 29—Vietnam has released 176 Thai fishermen kept in detention in the southwestern Kien Giang province on charges of encroaching on its territorial waters.

The Thai detainees were returned on Wednesday last week in exchange for 26 Vietnamese fishermen held in southern Thailand on similar charges.

The exchange followed an agreement between Vietnamese and Thai offices during talks in May on the amount to be paid in fines, and was conducted during a visit paid to Kien Giang by a delegation from the Fishery Department of Thailand.

The director of the department, Plotprasop Suratsawadi, had wide-ranging discussions with the local administration on cooperation in fishing and seafood processing, emphasis on mutual respect for sovereignty.

With strong emphasis on mutual respect for sovereignty the two sides agreed to inform each other of any encroachment by fishermen from one country on the other country's waters.

National Assembly's 30 Jun Morning Proceedings

BK3006074393 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 30 Jun 93

[Text] This morning, 30 June, National Assembly deputies met in groups to exchange views on the operational regulations of the standing committee, nationalities council, and other committees of the National Assembly. While exchanging and contributing views on regulating the operations of the National Assembly Standing Committee, many deputies subscribed to the content of the draft of this regulation. Some suggested:

To enable the National Assembly Standing Committee to operate effectively and to develop its role in control and supervision activities, the committee must be furnished with all the necessary information and allowed to participate in all government meetings on important matters so that it can grasp the situation and present its views, as well as create favorable conditions for its supervision work. The draft regulation should clearly specify that the National Assembly Standing Committee is responsible for the contents of all the documents and laws to be submitted to the National Assembly.

The decentralization of work related to the settlement of complaints lodged by citizens should be clearly specified and a number of clauses similar to those already

expounded upon in other laws or documents should be deleted from this regulation.

There were different views regarding the drafts of the operational regulations of the nationalities and other committees. The first view suggested that a common operational regulation be promulgated for the nationalities council and other committees of the National Assembly, while the second view suggested that these regulations be promulgated in two separate documents.

The deputies also concentrated on discussing a number of other issues, such as the operational principles of various committees, the settlement of complaints lodged by the people, and so forth. They also suggested that a number of words and phrases be changed and some clauses similar to those already used in other documents be deleted.

This afternoon, National Assembly deputies will hold a plenary meeting at the conference hall to discuss the draft of the revised land law.

Minister Sends Congratulatory Note to Regiment

BK3006105193 Hanoi Voice of Vietnam Network in Vietnamese 2330 GMT 29 Jun 93

[Text] Dear Comrades and Friends: Today, 30 June, cadres and combatants of Regiment 246, Tan Trao Division in the First Military Region joyfully celebrate their 45th glorious tradition day. On this occasion, Comrade Minister of National Defense has sent a congratulatory letter to all cadres and combatants of the regiment. The letter says:

Dear Comrades: On the 45th glorious tradition day on 30 June of Regiment 246, Tan Trao Division, on behalf of the party Central Committee Military Commission and the Ministry of National Defense, I cordially convey my warmest greetings and congratulations to all cadres and combatants, the wounded and the ill, the families of fallen combatants, the comrades who have been transferred or retired.

In the past 45 years, under the leadership of the glorious Communist Party of Vietnam and the revered President Ho Chi Minh, and with the support and assistance of people of all ethnicities, scores of cadres and combatants of your regiment have tirelessly developed the revolutionary character and the glorious traditions of the Vietnam People's Army. They have been unified, courageous, and resourceful in their resolute combat to overcome all difficulties and ordeals to score outstanding achievements in combat, training, laboring, studying, and other tasks. Your achievements are positive contributions to the liberation of the people, the unification of the country, and the building of the socialist fatherland of Vietnam, as well as the fulfilment of our noble international obligations.

Your regiment has had the honor of receiving the noble state title of Heroic Unit of the People's Armed Forces.

The regiment has two heroic battalions, one of which was commended for heroism twice.

Also on this occasion, I cordially commend the regiment for all your achievements in the past 45 years. I wish you good health and more outstanding achievements in the new phase of our revolution, and that the regiment will be forever worthy of the trust and love of the party, the people, and the heroic Vietnam People's Army.

My cordial and determined to win salutations to all.

Pham The Duyet Attends Hanoi Architecture Seminar

BK2806101193 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 13 Jun 93

[Text] On 13 June, the Hanoi Municipal People's Committee and chief of the Capital Architectural Office held a seminar on architectural policy for the capital city.

Attending the seminar were almost 100 scientists, economic and cultural managerial cadres, historians, and social workers as well as more than 40 professors and lecturers of universities, research institutes, and the Vietnam Architects Association.

Also attending were Comrade Tran Duc Luong, member of the Communist Party of Vietnam Central Committee, deputy prime minister and concurrently chief of the Hanoi Construction and Planning Commission; Comrade Pham The Duyet, member of the CPV Central Committee Political Bureau and secretary of the Hanoi party committee; Comrade Mai Xuan Loc, member of the party Central Committee and minister of construction; Comrade Le At Hoi, chairman of the Hanoi People's Committee; and representatives of various organizations at the central level and in Hanoi.

The delegates discussed various architectural issues especially the projects to beautify Ba Dinh and Hoan Kien wards, ancient street No. 36, the Ho Tay and Ho Hoan Kiem lakes, and other issues concerning high-rise buildings and slums in Hanoi.

Attends Science-Technology Congress

BK2806134793 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 17 Jun 93

[Text] The Hanoi Union of Scientific-Technological Associations [HUSTA] recently held the third congress of delegates to review work during 1988-93 and set orientations and tasks for the next term.

Comrade Pham The Duyet, member of the Communist Party of Vietnam Central Committee Political Bureau and secretary of the Hanoi party committee attended the congress.

At present, HUSTA has more than 30,000 members. It serves as a center for promoting scientific and production activities, improving the people's daily life, and integrating intellectuals in the capital city. Its members

have carried out various useful activities for various major development programs as well as formulate national socioeconomic development strategies up to the year 2000 and eight socioeconomic projects of the capital.

At the congress, Comrade Pham The Duyet asserted that to build Hanoi into an advanced capital like others in the region, it is necessary to bring into full play the capability and intelligence of our scientists and technicians.

Vu Oanh Attends Chemical Sector Congress

BK3006100893 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 25 Jun 93

[Text] The Federation of Trade Unions in the chemical sector recently held its fifth congress. Comrade Vu Oanh, member of the party Political Bureau; and Comrade Nguyen Van Tu, member of the party Central Committee and chairman of the Vietnam Federation of Trade Unions attended the congress.

The congress outlined the activities of trade unions in the coming period—to motivate workers to fulfill production targets and increase the development rate of the sector about 18 to 19 percent until the year 2000. The sector will focus on chemical products to serve agriculture production, consumer products, and other economic sectors. Trade unions at all levels will improve training for union members and workers, participate in

rearranging labor, train and retrain laborers in the direction of improving specialized skills and general vocational knowledge, and introduce policies to reward good workers.

Nong Duc Manh Meets Newsmen on Journalists' Day

BK2906154893 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 21 Jun 93

[Text] On the occasion of the Vietnam Journalists' Day, National Assembly Chairman Nong Duc Manh held a cordial meeting on 21 June with newsmen from provinces and in Hanoi, who are covering the current Ninth National Assembly's Third Session in Hanoi.

Attending the function were Vu Mao, member of the National Assembly Standing Committee; Ha Dang, chief of the party Central Committee Ideology Department; Phan Quang, secretary of the Vietnam Journalists Association; and Tran Hoan, minister of Culture and Information.

Addressing the meeting, Chairman Nong Duc Manh asserted the significant role of the press and urged newsmen to develop their role and duty to become outstanding combatants in the cultural and ideological front. The chairman also urged newsmen and journalists covering the current National Assembly session to accurately and promptly report activities of the National Assembly to the people at large.

Various National Assembly delegations also held cordial meetings with newsmen and journalists covering the current Ninth National Assembly's Third Session.

Australia

Keating Pressed To Abandon Promised Tax Cuts

BK3006014893 Hong Kong AFP in English 0120 GMT 30 Jun 93

[Text] Canberra, June 30 (AFP)—Australia's Prime Minister Paul Keating was under renewed pressure Wednesday to abandon his government's promised tax cuts following a new report casting doubt on the wisdom of the measure and urging action to rein in the budget deficit. The report, by government consultant and former senior bureaucrat Vince FitzGerald, suggests the government should instead introduce new taxes to raise the level of overall savings to help Australia fund investment during economic recovery.

He urged both Keating's federal government and the six state governments to return their budgets to surplus and Australia to lift its savings rate from current levels which are at their lowest point in two generations. Standing at 16 percent of Gross Domestic Product (GDP), he recommended they be lifted to 22-23 per cent of GDP over the coming decade.

Canberra remains committed to lowering the budget deficit to one percent of GDP by 1996-97, but is also committed to eight billion dollars (5.4 billion U.S.) of tax cuts promised during the March election campaign for delivery this term. The government has been widely criticised for the promise, which many economists say would be irresponsible to keep.

While stopping short of calling for the tax cuts to be abandoned, FitzGerald argued in his report to the government Tuesday that the tax cuts would make fiscal management more difficult.

"The legislated tax cuts will add to the fiscal task and efforts will be required to avoid revenue to GDP ratios falling away," he said. "Greater indirect taxation may therefore be required."

He said Australia, which is moderately taxed by international standards, risked falling into a debt spiral unless

savings were decisively lifted, led by a public sector taxing more and spending less.

He also put the possibility of reintroducing death duties and an inheritance tax firmly back on the agenda, along with the possibility of introducing more broadly based indirect taxes on areas lightly taxed at the moment.

However, FitzGerald also rejected suggestions the government should move more quickly to repair its budget deficit because of the fragile state of the economy.

Treasurer John Dawkins said the report had given the government a challenge and it would respond in two months.

The conservative opposition, which lost the March election because of its proposal to introduce a broad-based consumption tax, seized on the report saying the government was considering similar taxes now.

"This report clearly identifies that the government is going to both increase tax and tax and tax, and it's going to cut expenditure, and cut expenditure and cut expenditure," opposition leader John Hewson said. "It exposes the extent of the lies they told at the last election. It destroys their credibility for the next three years."

Minister: Forces in Red Sea 'Not In Danger'

BK3006064093 Melbourne Radio Australia in English 0500 GMT 30 Jun 93

[Text] The defense minister, Robert Ray, says Australian forces operating in the Red Sea are not in any danger despite continued hostilities between the United States and Iraq. Senator Ray was speaking in Darwin to farewell the crew of the guided-missile frigate Sydney which is heading to the region to join the multinational maritime interception force policing United Nations' sanctions against Iraq. He says Australia will monitor the situation very carefully but it's unlikely Australian forces will face hostile action. His comments were echoed by the commander of the Sydney who says the vessel will be well away from the current action. Commander Mark Bonser says the maritime interception force is entirely independent of the latest United States activities against Iraq.

